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# COAST GUARD BUDGET REQUEST, FISCAL YEAR 1994

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Y 4. M 53: 103-17

## ARING Coast Guard Budget Request, Fiscal... BEFORE THE SUBCOMMITTEE ON COAST GUARD AND NAVIGATION OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

ON

**THE PROGRAMS, INITIATIVES, AND REDUCTIONS IN THE  
COAST GUARD'S BUDGET REQUEST FOR FISCAL YEAR  
1994**

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APRIL 22, 1993

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**Serial No. 103-17**

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Printed for the use of the Committee on Merchant Marine and Fisheries



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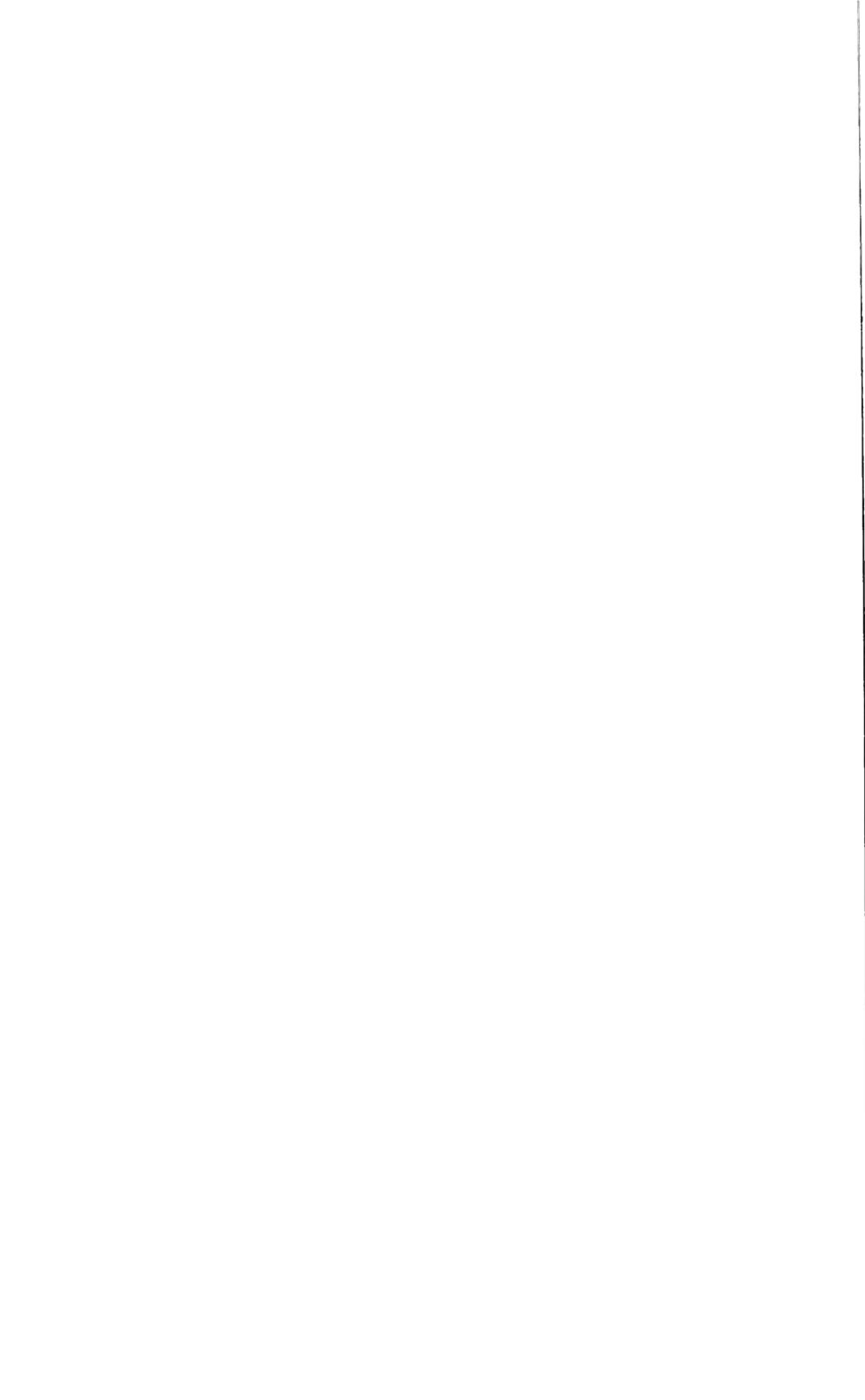
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# **COAST GUARD BUDGET REQUEST, FISCAL YEAR 1994**

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**THURSDAY, APRIL 22, 1993**

**HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION,  
COMMITTEE ON MERCHANT MARINE AND FISHERIES,  
*Washington, DC.***

The subcommittee met, pursuant to call, at 10:00 a.m., in room 1334, Longworth House Office Building, Hon. Billy Tauzin (Chairman of the Subcommittee) presiding.

Present: Representatives Tauzin, Hughes, Lancaster, Stupak, Hochbrueckner, Pallone, Laughlin, Lambert, Coble, Fowler, Castle, Inhofe, Pombo.

Staff Present: Elizabeth Megginson, Matthew Szigety, Catherine Gibbens, Rusty Savoie, Jim Adams, Lee Crockett, Margherita Woods, Cyndy Wilkinson, Harry Burroughs, Ed Lee, Rebecca Dye, John Rayfield.

## **STATEMENT OF HON. BILLY TAUZIN, A U.S. REPRESENTATIVE FROM LOUISIANA, AND CHAIRMAN, SUBCOMMITTEE ON COAST GUARD AND NAVIGATION**

Mr. TAUZIN. The hearing will please come to order. The purpose of the hearing today is to receive testimony regarding the programs, initiatives, and reductions in the Coast Guard's budget request for fiscal year 1994. I wish to welcome once again the Commandant of the Coast Guard, Admiral J. William Kime. And once again I want to recognize Admiral Kime for his outstanding leadership and his personal commitment to the personal needs of the men and women of the United States Coast Guard.

Admiral, since taking command you have stressed the three watch words; people, balance, and excellence. I am pleased to see that this budget and the legislative proposals that you forwarded to this committee accurately reflect that vision for the Coast Guard and for its bright future.

Every year presents the Coast Guard with a set of new challenges as we know, but the last twelve months have been exceptionally busy even for you. Last summer, Hurricanes Andrew and Iniki wreaked havoc across Louisiana, Florida, and Hawaii. And last winter, flood waters devastated Southern California. In every case, the Coast Guard was one of the first Federal agencies on the scene to provide assistance and was, of course, instrumental in not only assisting but in actually providing lifesaving and, in some cases, heroic lifesaving efforts. I want to thank you and all of the

men and women of the Coast Guard for the families of Americans who have been the beneficiaries of those heroic and outstanding efforts.

In January we feared that up to 100,000 Haitians might risk their lives aboard unseaworthy boats attempting the 600 mile voyage to Florida. I am confident that the Coast Guard's humanitarian efforts during "Operation Able Manner" is, in fact, responsible for saving countless Haitian lives. Today, there is still 10 cutters patrolling off the Country of Haiti. It is, however, time for us to find solutions to the problems in Haiti; to end the human suffering; and to allow the Coast Guard to resume its routine operations in the Caribbean where we know incredibly important shore points in the operations against drug smuggling need to be attended.

Since 1991 you and I have discussed the importance of rebuilding the Coast Guard's aging fleet of ships, planes, and shore stations. We have talked about the importance of investing in preventive measures to protect the marine environment. Last February, I was pleased to see that President Clinton included two Coast Guard initiatives in his Visions for Change for America. The administration highlighted the need to replace the nation's fifty year old buoy tender fleet and move quickly to build state-of-the-art vessel traffic service systems in our nation's busiest and most hazardous ports. Both of these proposals are addressed in the Coast Guard's acquisition, construction, and improvements budget request. I am very pleased to see these elements of the budget.

The fiscal year 1994 budget request is, however, austere. It will just keep pace with the rate of inflation. In fact, the Coast Guard has proposed to cut \$42 million in operating expenses and to cut \$9 million from the reserve training account. In many cases, these cuts are going to be painful. We all need to understand that. There are real cuts in this austere budget.

On the other hand, the Coast Guard has requested only \$7.4 million to fund new operating initiatives. One of the new initiatives that I believe will be well worth the cost is a program to assign senior officers as liaisons to the Regional Fisheries Management Councils. A second promising initiative will create several fisheries training centers to teach boarding officers about the local fishery. It is long overdue for the Federal Government to recognize that our fishermen are not criminals. They are hard working good citizens in many cases carrying on a centuries old tradition against many difficult odds.

And, the types of programs that you offer in this new budget which can foster greater compliance without creating unnecessary conflict are welcome additions. We want to work very closely with you to see to it that the fishing community is a partner in our conservation efforts rather than enemy or criminal which often seems to be the attitude.

The Coast Guard is once again being forced to do more with less. The proportion of the fiscal 1994 operating account dedicated to drug interdiction is down 14 percent. I want to say that again. Portion of money dedicated to drug interdiction in this budget is down 14 percent. Now I don't believe we won the war on drugs. If we did, I missed the ceremony. Are we already cutting back the percentage of money dedicated to this incredibly important effort to interdict

drugs that destroy young, human lives in this country? I am concerned about that.

Last year, drug interdiction accounted for 24 percent of the operating account. This year it is down to as I said 14 percent. That is a major reduction. I want to be sure the Coast Guard is not, in fact, reducing its drug interdiction efforts solely for budgetary reasons. We will examine this carefully as we go through this budget with you. The mission of drug interdiction has incredible, deep, and broad support in this subcommittee and I think in this Congress.

Finally, I want to commend the Coast Guard on its efforts in implementing OPA 90. What a thankless and difficult task! You were given quite a workload. We have seen great progress. We are anxiously awaiting additional progress. The subcommittee will continue in our OPA implementation hearings throughout the rest of the 103rd Congress. We hope that the deadlines that have already passed can be met, so that we can complete the rulemaking and the implementation of this important new law to protect America's maritime environment.

Admiral, I again want to thank you, and I would like to now recognize Congressman Howard Coble, the new ranking minority member of the subcommittee, to this his first authorization hearing on the Coast Guard budget. I want to commend Howard for his friendship and his support of this committee and its work over the years. Howard as you know is a retired Coast Guard Reserve Captain himself. I am pleased now to introduce Retired Captain Howard Coble.

**STATEMENT OF HON. HOWARD COBLE, A U.S. REPRESENTATIVE FROM NORTH CAROLINA, AND RANKING MINORITY MEMBER, SUBCOMMITTEE ON COAST GUARD AND NAVIGATION**

Mr. COBLE. Thank you, Mr. Chairman. Admiral, good to have you and your shipmates here. I am going to visit with you circuitously in my opening statement, Admiral. Just a few points that I have picked out that I think are of concern.

As has always been the case, I do not come to this table impartially. I come very partially and very biased in favor of the Coast Guard, but I will try to put on my objective hat, Mr. Chairman, as we go along because oftentimes we have to seek some objectivity as we go about resolving some of these problems.

While I have some concerns about several of the specific provisions in the request, Admiral, I am glad to see the higher funding level for the Coast Guard's operating expenses and its acquisition construction and improvement account. I believe it is very vital to continue to support the Coast Guard's acquisition of a new ice-breaker.

I am sure, Admiral, you get tired of hearing me singing this song from this same hymnbook, but I have been an outspoken advocate for a—well, we started out with two on the board, and now we are going to have to settle with one, and hopefully that is going to be within our grasp. That is the new polar icebreaker and its program to replace the aging fleet of buoy tenders.

I also support, Admiral, your efforts to upgrade the Coast Guard's many shore facilities in an attempt to improve or to pro-

vide improved housing and health care facilities for those personnel attached thereto. The Congress has increasingly added to the Coast Guard's many responsibilities. If we expect this America's oldest seagoing service to be successful in its what I call bread-and-butter issues, search and rescue, environmental protection, drug interdiction, migration interdiction, we must be prepared to provide sufficient funding.

I want to emphasize and, Mr. Chairman, I think you did this as well. I want to emphasize the importance of not compromising these bread-and-butter issues I have just mentioned as we go about resolving this. When you mentioned—I did not realize the 14 percent reduction, Mr. Chairman. I knew it had been reduced. I did not realize it had been reduced that severely.

While I applaud these successful efforts in helping to prevent mass migration from Haiti I have the fear, Bill, and you and I talked about this last week in my office. That this operation has and will continue to drain resources from the Coast Guard's other pressing duties.

I am also concerned about the proposals in the budget to reduce the number of the Coast Guard reservists from 10,500 to 8,000 in one year. Again, I admit to my subjectivity. As you may know I used to be a member of the Greensboro Reserve Unit and the Wilmington Reserve Units in North Carolina, and I am not impartial on this, and I realize that cuts and reductions may have to be inevitable, but I hope that we can do this, and I am sure you are on top of this, Admiral. We will get into this in more detail.

But unlike other reserve components in the other military services it is my belief that the Coast Guard Reservists are probably most extensively used during peacetime emergencies as opposed to the other armed services. Reserve units as you all know were actively involved in the cleanup of the *Exxon Valdez* oil spill in Alaska as well as emergency operations in the wake of Hurricane Hugo in the Carolinas and more recently Hurricane Andrew.

While I am a strong supporter of reducing unnecessary government spending, and Lord knows it goes on every day in this town, I do want to be assured that this 2500-person reduction will not cripple for want of a better word, certainly hamper, the Coast Guard in carrying out its vital missions.

I am sure you will touch on the progression, Admiral, of the status of the acquisition of the new polar icebreaker. I hope that is proceeding smoothly. I think it is, and we didn't talk about the ice-breaking activities in the Great Lakes, but I would like before the day is over we can hit on that as well.

As I said I did this circuitously, Admiral, touching this base, then that one. It is good to have you and your staff here. I look forward to hearing from you, and, Mr. Chairman, with your permission I would like to have Mr. Field's statement included in the record.

Mr. TAUZIN. I think we ought to compel his attendance from Texas. Where is he right now? Without objection his statement will be entered into the record. The Chair now recognizes Mr. Hughes.

[Statement of Mr. Fields follows:]

**STATEMENT OF HON. JACK FIELDS, A U.S. REPRESENTATIVE FROM TEXAS, AND  
RANKING MINORITY MEMBER, COMMITTEE ON MERCHANT MARINE AND FISHERIES**

Mr. Chairman, I think that the Administration's Fiscal Year 1994 budget request for the Coast Guard is reasonable in most respects, considering the great needs of the Coast Guard and the restraints we must exercise over all Federal spending.

This budget would fund the Coast Guard at approximately the same levels requested last year by the Bush Administration and authorized by Congress in the Coast Guard Authorization Act of 1992. Unfortunately, the Coast Guard did not receive appropriated funds to match the authorized levels, creating shortfalls in the Coast Guard Reserve Training, Research and Development, and Environmental Compliance Accounts.

I am pleased that the Administration has requested funding for Vessel Traffic Service (VTS) systems in Port Arthur, Corpus Christi, and Houston-Galveston. Navigation safety must be a priority for the Coast Guard, and this budget commits substantial funds toward completing the major VTS projects in this country.

A matter that greatly concerns me is the requirement under section 5006 of the Coast Guard Authorization Act of 1992 for the Coast Guard to purchase a marine oil spill management simulator for the Texas Center for Marine Training and Safety at Galveston, Texas. I am following this issue to ensure that the Coast Guard complies with the law and purchases this essential equipment as soon as possible. Critical oil spill management training time is being lost by the failure of the Coast Guard to purchase the simulator for the Texas Center.

Thank you, Mr. Chairman.

**STATEMENT OF HON. WILLIAM J. HUGHES, A U.S.  
REPRESENTATIVE FROM NEW JERSEY**

Mr. HUGHES. Good morning and thank you, Mr. Chairman, for holding this hearing on the Coast Guard budget for FY 1994. I would like to welcome the Admiral and his colleagues from the Coast Guard today. Admiral, as you know my colleagues and I strongly support the efforts of the Coast Guard. I believe the Coast Guard is the most well run of all the branches of the armed services. You do your job well even though we continue to saddle you with additional missions. You are a can-do agency, and I commend you and your colleagues for the outstanding work you do.

I am very happy to see that you are continuing your goal to improve the quality of life for the Coast Guard men and women through the establishment of the "work life initiatives". I am also pleased that procurement of buoy tenders and the vessel traffic safety systems are included in your budget request.

I will try not to repeat the concerns expressed by my colleagues, but I do have some additional concerns that I would like to discuss with you. I am concerned about the reduction in funds for marine environmental protection in the budget. It is unclear to me what that is going to mean to Coast Guard operations. Will this reduction impair the Coast Guard's ability to maintain a readiness to respond to pollution and environment disasters?

Additionally, the Coast Guard has prepared an 11 percent reduction in research and development funds and that greatly concerns me. We have gone that route before, cutting back on R & D, and it has come back to haunt us in years past. Do you anticipate a transfer of funds from the oil spill liability trust fund to compensate for this reduction in R & D?

I also note that the budget includes funds to establish regional fishery enforcement training centers. I wonder, Admiral, if you can explain this proposal in greater detail.

I have not heard much follow-up from the unfortunate incident with the *Santa Clara* and its lost cargo of arsenic trioxide. I don't want to dwell on this incident; however, the investigation revealed a number of shortcomings, and I would like to know what has occurred to try to remedy some of those deficiencies.

I am particularly interested in knowing what problems or plan has been made to improve communications capabilities between central and field offices and what progress has been made on improving oversight and regulation of the transportation of hazardous and toxic substances which was central to that investigation.

Lastly, there was some discussion during last Congress about commercial fishing vessel inspection and licensing fees. At that time I, along with my colleagues, had expressed concerns regarding an apparent imbalance in the fee schedule designed to cover the costs of inspections. What is the status of the proposal and can we expect a more equitable fee schedule should this proposal come before the subcommittee and this Congress?

Again, I would like to thank you, Admiral, for coming today and thank the chairman for giving me this time this morning. I yield back the balance of my time.

Mr. TAUZIN. Thank you, Mr. Hughes. The chair now recognizes the gentle lady from Florida, Ms. Fowler.

#### STATEMENT OF HON. TILLIE FOWLER, A U.S. REPRESENTATIVE FROM FLORIDA

Ms. FOWLER. Thank you, sir. As a new member, I am pleased to be here to hear the Admiral and the representatives from the Coast Guard. And I just have a particular concern being from the State of Florida that I want to express and that I am concerned that when I see about the reduction in operating expenses what effect this is going to have on your drug interdiction efforts.

And then reading about the great reduction in your reserves what also that effect is going to have on search and rescue missions and drug interdiction efforts that have been carried on by some of these people, too, particularly in our state where are so impacted in both of those areas. So I would—you know, appreciate as we go along this morning having some of those concerns as well as some of the others expressed that my colleagues expressed. Thank you, Mr. Chairman.

Mr. TAUZIN. I thank the gentle lady. The chair now recognizes the gentleman from Michigan, Mr. Stupak.

#### STATEMENT OF HON. BART STUPAK, A U.S. REPRESENTATIVE FROM MICHIGAN

Mr. STUPAK. Thank you, Mr. Chairman. I am pleased to be here. I have many questions today about the Coast Guard's proposed decommissioning of the *USS Mackinaw*, a Coast Guard cutter up in our neck of the woods up there in the Great Lakes Region and I will have plenty of questions on that so I would reserve my comments until we hear their testimony first. Thank.

Mr. TAUZIN. Thank you, Mr. Stupak. The gentle lady from Arkansas, Ms. Lambert.

**STATEMENT OF HON. BLANCHE LAMBERT, A U.S.  
REPRESENTATIVE FROM ARKANSAS**

Ms. LAMBERT. Thank you, Mr. Chairman, and we certainly appreciate your being here today to speak with us. As you probably know my district covers a good portion of the Mississippi River and several other inland waterways and I will be very interested and have several questions in regard to the budget and the inland waterways programs and look forward to your testimony. Thank you, Mr. Chairman.

Mr. TAUZIN. Are you the personal representative of the President in Congress, Blanche?

Ms. LAMBERT. Exactly.

Mr. TAUZIN. Thank you, Ms. Lambert. Admiral, you are on and again your written testimony is a part of the record. We would appreciate a summary of your statement at this time. Welcome, Admiral.

**STATEMENT OF J. WILLIAM KIME, COMMANDANT, UNITED STATES COAST GUARD; ACCCOMPANIED BY CAPTAIN THOMAS H. COLLINS, CHIEF, PROGRAMS DIVISION, UNITED STATES COAST GUARD; CAPTAIN ROY CASTO, CHIEF, BUDGET DIVISION, UNITED STATES COAST GUARD; AND MASTER CHIEF PETTY OFFICER R. JAY LLOYD, UNITED STATES COAST GUARD**

**STATEMENT OF ADMIRAL J. WILLIAM KIME**

Admiral KIME. Thank you, Mr. Chairman. Again, it is a great honor and privilege to appear before this subcommittee. I appreciate your kind remarks and those of the other members of the committee, and Mr. Coble.

Let me say that we do pledge to continue to work very closely with this committee as we have in the past. I have made note of the areas of concern that all of you have, OPA 90, fisheries, Reserve, icebreakers, and drugs, et cetera, and certainly I hope that we can explore those in detail during the questioning period.

I have with me on my right Captain Tom Collins from our Programs Division and on my left, Captain Roy Casto from our Budget Division who also will be assisting in answering questions. Let me, if I could, Mr. Chairman, just make a short summary introduction and then open it for questions.

There have been some very dramatic and historic changes internationally and domestically and we see this evolving into a new security environment marked by a great deal of regional instability and security threats perhaps less defined than in the past.

Domestically, we have seen the President propose significant changes involving a renewed focus on economic revitalization, environmental protection, and infrastructure. And, I am here today to help explain how the Coast Guard fits into these areas and how our budget will promote them.

Mr. Chairman, the Coast Guard does remain focused on its enduring missions and we hope to be "always ready" to answer the call to new challenges, and to assist the Secretary in his declared goal to provide the finest and safest transportation system in the world.

You know our four fundamental missions. Let me just touch briefly on each of them. In Marine Environmental Protection, certainly OPA 90 is the centerpiece. We are continuing to implement the provisions of that Act and enforce the ones that have been implemented. We have tried to give priority to those that we feel have the greatest return.

Maritime Law Enforcement is again another area of concern to us, and there we are trying to strike a dynamic balance between drug enforcement, alien migrant interdiction efforts, and fisheries enforcement—the importance of which the Chairman touched on. I hope to clarify the issue regarding the reduction in Operating Expenses for drug law enforcement as we get into it.

Certainly, fisheries resources represent a significant national asset and it is an area where we do have to work harder. We are trying to do that and certainly, Mr. Chairman, we will do that through you and through the fishing industry, and I think I can elaborate on that.

The effort to prevent the massive loss of life for illegal migrants from Haiti, from Cuba, the Dominican Republic, and even the People's Republic of China, is certainly one that is taxing our resources and we hope that some final solutions can be found to these problems. In the meantime, our mission is to continue to try to prevent loss of life.

And, drug law enforcement, of course, is still one of the most important missions that the Coast Guard has; let me say that in our operating budget, I believe it is the second highest funded mission of all those we do. Again, I can get into the specifics of that in a few minutes.

In the area of national security, as I have said, things are changing. The Coast Guard has recently put out a document entitled "The United States Coast Guard—A Distinct Instrument of National Security." And I think it describes in some detail how the Coast Guard fits into the changing role that we see.

An essential element of our ability to respond to national contingencies is the Coast Guard Reserve, and I have assessed our mobilization requirements based on defense-related criteria and we have determined that a Selected Reserve force size of 8,000 is appropriate. I am confident that this downsized force will be capable of responding to both military and nonmilitary contingencies of the type we talked about.

I, too, am distressed at the rapidity at which the military drawdown perhaps will occur. These are difficult budget times. We are doing the most we can to make sure that this has the minimum adverse impact on our people and perhaps in the questioning we can get into some of the specifics there.

As the Chairman said, "People, Balance, and Excellence" remain my watchwords. I have tried to adhere to these. We do have provisions in the budget for Work-Life and other "people" initiatives, because I think it is so very important that we take care of those who take care of all of us. I have tried to balance the missions—the operating missions of the Coast Guard, and I think we will get into that as we get through the questions.

In the area of excellence, I think it is important in these times of increasing demand and shrinking budgets that we manage as well

as we possibly can, using TQM, and I think we are having some significant successes.

Mr. Chairman, concerning the preparation of our Authorization Bill, we worked very hard to submit our legislative proposals in a timely manner and I know that you have just recently received them, but I would like to take this opportunity to underscore two provisions which will be particularly helpful to us. One is the authority to enter into long-term leases in high-cost areas to help mitigate the problems associated with our enlisted housing. And, the other is the authority to enter into long-term leases for Aids to Navigation support, which will help us to obtain land for locating VTS equipment.

On another legislative matter, we hope to transmit the Marine Safety Act to you very soon. Two important sections which I would highlight for your consideration and discussion involve passenger vessel safety and fishing vessel licensing of operators. I consider these important provisions and we look forward to working with you as we explore these issues.

Mr. Chairman, I indicated to the committee that we would try to do a better job of providing these type of legislative proposals to you early on in the legislative season. We have had to reengineer our whole process, and at the same time prepare the initiatives. I think we are much more timely this year and I think next year we will have these to you in plenty of time for us to discuss them at the hearing.

In the meantime, we are ready to enter into discussions, either in a subsequent hearing to this, or at this hearing to the extent we can, and also between members and staff and our principals if that is desired. You indicated this is a constrained budget request with very little growth and we are trying to be responsive to both our responsibilities and the fiscal conditions of the country.

Mr. Chairman, let me thank you and all the members of this committee for your tremendous support. Mr. Chairman, I want to take this opportunity to thank you personally for the statement you made on the floor of the House concerning the fine young men and women in the Coast Guard who have responded to some of the natural disasters that have hit this country recently. We will make certain that that gets passed along and we do very much appreciate it. I personally appreciate it because these are the young people that make the Coast Guard what it is. Mr. Chairman, I will conclude my introductory remarks and will be pleased to answer any questions you or the committee may have. Thank you.

[Statement of Admiral Kime may be found at end of hearing.]

Mr. TAUZIN. Thank you, Admiral. Let me announce for the committee that we will be making more specific date announcements for you, but next month, May, will be Marine Safety Month for this subcommittee. We will be examining not only the fishery safety laws, provisions and implementations within this budget, but we will also look at cruise ship safety. You probably saw the citizen videotape of one of the cruise ships dumping garbage at night into the marine environment off of Florida. We are going to have a copy of that film for this committee. We will be looking not only at safety for cruise ship passengers, but safety for the marine environment as it affects fisherman and crew ships. Yes, sir.

Mr. LANCASTER. Mr. Chairman, will there be any field hearings on luxury liners as a part of this exploration.

Mr. TAUZIN. I doubt it seriously. As you know, two subcommittees are conducting field hearings this week with one in Corpus Christi, Mr. Ortiz. Also, we will be conducting one in New Orleans for those of you who want to be with us on Monday morning. We will continue our field hearing series—and I want to make an announcement broadly to any members who have particular needs in your area for oversight field hearings. Please get those requests into us so that we can begin a planning schedule.

As I said, next month will be Marine Safety Month. We have sort of categorized not only marine safety but marine environmental concerns to be addressed next month.

Admiral, let me cut to the quick. I have asked staff to pass out to all the members, and I bring your attention to it, a comparison of last year's operating expenses budgeted for the Coast Guard with this year's request. One of the good ways for us to examine a budget is to see the changes—the trends in allocation of funds. When you look at the pie of this year's compared to the pie of last year you see that in 1993 drug interdiction was at 23.8 percent of the budget. If you go back to 1987, you see it was 24.3 percent. It is ranged at about 24 percent ever since 1987 and probably before then. Suddenly, we see a major drop down to 14.1 percent this year.

I know that is a major change in budget allocation commensurate with the major drop in drug interdiction. Yet, we see a major increase, over double, of fisheries law enforcement. Obviously, this is a change in policy—rather dramatic change. We are going after fisherman apparently more than we are going after drug dealers. Why?

Admiral KIME. Mr. Chairman, first let me try to put the drug figures in perspective. These are operating dollars we are talking about and they don't include the tremendous increases that we are adding to the war on drugs in the area of the Midlife Maintenance Availability (MMA) for the 210-foot cutters, the fact that we are buying additional helicopters for the OPBAT operation in the Bahamas and many other things.

Let me say that in 1983 we spent almost 18 percent Operating Expenses on drugs. It carried along fairly constantly. It peaked in 1987. The highest was at 24.8 percent. 1988 was 23.1, 23.87 in 1989, 23.3 in 1990, and 19 percent in 1991. So it has gone from 19 last year to 14.4 in 1992 and that was the correct number in 1992. The estimate this year is 14.15 so really it is only one—

Mr. TAUZIN. It was 23.8 percent in 1993 according to our figures, is that correct?

Admiral KIME. I don't have the number.

Mr. TAUZIN. Yes.

Admiral KIME. We have 14.9 in our data and the information that we have.

Mr. TAUZIN. We will be happy to—why doesn't someone make sure the Admiral has the same papers we are looking at. This was provided to us by the Coast Guard and it shows operating expenses—

Admiral KIME. I think—

Mr. TAUZIN [continuing]. budgeted for 1993 at 23.8 percent for drug interdiction.

Admiral KIME. I think that looking at this—

Mr. TAUZIN. The document is—

Admiral KIME. I don't see any fisheries enforcement in here, Mr. Chairman. This may be the total amount that we spent and I can add these numbers up very quickly.

Mr. TAUZIN. Yes, I am—there is some change in the way it is calculated I grant you. But the obvious question we are asking is why this significant change in—if not this year in the last several years, major reductions in operating expenses spent on drug interdiction with major increases in fisheries enforcement. They seem to be rather commensurate increases and decreases.

Admiral KIME. Well, this was an extrapolation we had here last year—a forecast of what we would be doing, Mr. Chairman. In actuality, what we did last year, in fiscal year 1992, was about 14.44. We estimate now about 14.15 in Operating Expenses for drugs—only Operating Expenses. We are spending about 12 percent of our total budget which is about \$460 million on drugs this year. That is the figure that we forwarded to the Office of National Drug Control Policy. So that is no great increase. I think one thing that impacts this is the Haitian migrant interdiction operation. That has certainly diverted resources from operations down in the Caribbean. We have had to rely more on the Navy forces down there.

Mr. TAUZIN. But Admiral, I don't want to quibble. Obviously, whether it is 18 or 19 or 23 there is an obvious shift in policy here.

Admiral KIME. Yes, sir. I am—

Mr. TAUZIN. The shift in policy is away from drug interdiction operating expenses to fisheries enforcement operating expenses and it looks like a trend that needs some explanation. I simply—I am asking is this a policy change made at your level or at some level above you? Where is it coming from?

Admiral KIME. Well, I made a policy change when I became Commandant, Mr. Chairman, to achieve strategic balance, and that was one of our three watchwords. I was concerned about all the missions of the Coast Guard, to try to bring them in line with the mandates we have from the Congress and from the public, and to recognize changing conditions.

Let me say that as far as drugs are concerned, we have seen the coming on of significant resources by DOD spending literally billions of dollars on the effort on drugs and we also work very closely with the other Federal agencies. Some of the draw-down that you see in our expenditure on drugs is due to some of the resources that we no longer operate that have been turned over to DOD, and in fact, have been mandated for operation by DOD. You are certainly familiar with the sea-based aerostats.

Mr. TAUZIN. Yes.

Admiral KIME. This is approximately \$40 million a year in money that was turned over. The DOD Appropriations Act last year, due to your support, Mr. Chairman, required DOD to operate these resources in support of the Coast Guard. And, they are in the process of doing it. We did give up the fast boats because of the similar operations Customs had. The E2C's were turned back to the

Navy and they are operating E2C aircraft in support of what we are doing.

So, I really think that the Office of National Drug Control Policy (ONDCP), which looks at what the Coast Guard and all the other agencies are doing in the war on drugs, has looked at this very carefully. In fact, the letter I got back last year said, in fact, I could probably do what I had to do with perhaps slightly less resources. So we think that on drugs, we are on a pretty good track. I think we have got a very good success record.

We don't see the trafficking in marijuana up to Florida as we used to. Aircraft are not landing in Florida with drugs. I think we have had a major role in changing the way that drug smugglers operate. They are going further offshore or they are trying to come up across the land borders and we are responding to that. If you look at the data from ONDCP, I think you will find that drug usage is down—it is about one-half of what it was 10 years ago. We are certainly concerned about the increased use of drugs by 8th and 10th graders. Now I think that covers the drug issue. So, I feel very comfortable with that. I think we reached a balance there and I think we are on a proper plateau. Now talking about fisheries—

Mr. TAUZIN. Let me—I am going to have to turn it over. Why doubling of the effort in fisheries enforcement? I mean, obviously, if DOD is assuming more and more of your responsibilities in drug enforcement and the job is still getting done that is good news. And if the Haitian problem can be solved and you can return to more active choke point activities that is good news.

Admiral KIME. Yes, sir.

Mr. TAUZIN. We haven't gotten there yet. But at the same time you are doubling your enforcement efforts in fisheries enforcement. Why is that going on?

Admiral KIME. Yes, sir. Let me talk about that. Since 1989 we have 32 fisheries management plans and 50 new plan amendments that have been implemented since then. We are talking about Atlantic Blue Fish in the Mid-Atlantic, Red Drum in the South Atlantic, King and Tanner Crab in the Bering Sea and Aleutians, and since the passage of the Magnuson Act, we have created councils that manage over 32 plans and implemented 150 amendments, and we are tasked specifically with enforcing this.

In addition, to that the complexity of the enforcement has increased. We have also seen increased regulations for Turtle Exclusion Devices (TEDS). We are the enforcement agency for National Marine Fisheries Service. We try to do that, as you know, in the most cost-effective way possible. Also, we are charged in enforcing the Endangered Species Act.

Also, Mr. Chairman, since 1989 there are four principal international agreements that require Coast Guard enforcement, including: the UN moratorium on high seas drift-net fishing; the Bering Sea "donut hole" an area of international waters surrounded by the EEZs of the U.S. and Russia; U.S.-Canada agreement on enforcement, both the Hague line on the East Coast, and the Dixon entrance on the West Coast; and of course, the U.S.-Russia boundary agreement. And, implementing legislation mandates Coast Guard enforcement.

There are also six new marine sanctuaries since 1989, many off the coast of Florida, some California, some Texas, and Hawaii. Mr. Chairman, we have just completed a study of our whole fisheries effort. We did this by bringing in representatives of fishermen all around the country, along with National Marine Fisheries Service representation at the very highest level; I participated in this, and did a study of what we are doing in fisheries enforcement. Certainly, we don't consider fishermen as criminals. We look at them as very honest, hardworking people in an extremely dangerous occupation and we also recognize that there is a danger of overfishing out there, and there are certain laws that we are required to enforce.

We want to do this in a balanced way and we have come up with a plan with a number of recommendations. We put them into three tiers, and the first two we are doing. The first is short-term, the second intermediate, which means just a couple of years. The third will take a little bit longer because it will require additional funding.

But, I think you are going to see a more balanced approach by the Coast Guard in enforcing fisheries laws and doing this in conjunction with our friends in NOAA and our friends in the fishing industry.

Mr. Chairman, let me tell you there is no vendetta by the Coast Guard against fishermen. We are just trying to balance what we do against what the priorities are, what the national legislation is; I think we are doing that in a very good way.

Mr. TAUZIN. Admiral, quickly so I can turn it over to other members, you have said that one of the hallmarks of your administration has been quality of life for the members of the Coast Guard. Can you simply say today that work life quality has improved under your stewardship?

Admiral KIME. I think it has improved, Mr. Chairman, due to the hard work of many of our people. As you know, we did the Work Life Study which resulted in about 180 recommendations. We are in the process of implementing most of them now.

Mr. TAUZIN. Is housing improving?

Admiral KIME. Housing is improving. When I became Commandant, availability of housing was the single biggest problem facing the Coast Guard. It is no longer a problem now. Perhaps short-term problems in specific areas, but for the most part, because of the increase in our leased housing program and the moneys that the Congress has provided us to increase the amount devoted to Coast Guard-owned housing, we are doing a whole lot better.

Mr. TAUZIN. How has DOD downsizing of base closing affecting the Coast Guard?

Admiral KIME. We are watching that very closely Mr. Chairman. The final list won't be out until July, but we are very much concerned about the impact it is going to have on housing, commissaries, exchanges, medical care for our people, and we are watching this very closely. Our people in the field are also monitoring this closely. The Chief of Staff of the Coast Guard, Admiral Kramek, is going to be putting out an instruction to the field very shortly that will talk about these issues, providing some standardized guidelines

so we minimize the impact. But certainly, we believe there is going to be some.

Mr. TAUZIN. Big reduction in armed services reserve forces. Is your reduction commensurate with DOD reductions?

Admiral KIME. We have looked at the need for reserves based on what the new missions are, how we are factored into the plans of the CINCs (the Commanders In Chiefs), and we have gone through an analysis of the plans that we are involved in. We are receiving the things that we are going to be asked to do by DOD, and the things that we have to do for the Coast Guard, such as direct augmentation in times of national emergency, and regional conflicts. I think plans for a global war have not been shelved, but they have been put in an inactive status.

We need about 950 reservists for direct defense-related missions. For the port load outs—the critical ports have been reduced from 48 to 16, but they are still extremely important. Augmentation by the reserves is such a vital part of our force structure.

Mr. TAUZIN. What is your new number, Admiral?

Admiral KIME. It is 8,000. The 6700 that I mentioned, plus 350 that will be specially trained for response to pollution incidents. So, with the 950 that is a total of 8,000, and we feel that within that number, based on the experience that we have over many years, that there will be sufficient reservists to augment the Coast Guard in times of emergencies such as oil spills, earthquakes, and hurricanes.

Mr. Chairman, I am personally very distressed at the rapidity by which the draw down is anticipated to occur. But we are in very difficult budget times and these are the dollars that we think we can justify. Certainly, personally I would be very pleased if the reduction could occur at a slower pace, because of the impact on our people.

Let me tell you about the impact on our people. I met with Senator Nunn. We talked about what they are doing in DOD for their reservists. Right now, we are studying the issue, because this is the first time we have had a RIF (reduction in force), for any of our people, military or civilian, as a result of the DOD draw down.

We would like to grant severance pay to any of our reservists who have in the past been drawn down or are in the future, and also let them participate in the retirement program after 15 years. We think this can be done at a cost of about \$2.3 million and once that study is complete, we will be coming forward either for a re-programming or for supplemental appropriations.

Mr. TAUZIN. Yes, we will look forward to that. That is of some real concern to us—

Admiral KIME. Yes, sir.

Mr. TAUZIN [continuing]. due to this drawn down. Finally, Admiral, I have asked you privately for an update on COFR issues, the very contentious issues of how we settle the rules and regulations on insuring the vessels that transfer oil under OPA 90. Also, you were working I understand on a follow up to our committee hearing on on board oil response equipment requirements.

What is the current status of that?

Admiral KIME. Yes, sir. I would like to address both of those very briefly. On the COFR, one of the conditions under which we pub-

lish the notice of proposed rulemaking was that we promulgate a regulatory impact analysis. That is now in clearance in the Office of the Secretary of Transportation, and OMB, and we anticipate a 60-day hearing or comment period on that. And, once that comes out, I think we would like to enter into some discussions with the committee. We certainly consider this one of our most important issues.

Mr. Chairman, the question of carriage of pollution response equipment on board is an issue that has been discussed at great length at committee hearings. This committee, I think, devoted almost an entire hearing to it. I appeared before Mr. Studds, chairman of the full committee here about three weeks ago, and certainly half the time we spent on this issue. I just finished two days of House Appropriations hearings yesterday and it came up then, too.

Mr. Chairman, I would like to propose a course of action. I would like to have the Coast Guard invite those people who feel they have equipment that would be suitable for use aboard ship to come forward, bring their proposals to us, and have an opportunity to demonstrate their ideas. I think there is some real disagreement between some very well intended people, all looking for the same goal—that is, a cost effective deployment of pollution response equipment. Perhaps the approach I describe would help. I would like to ask you to allow your staff to work with us as we put together this proposal.

Mr. TAUZIN. I think it is an excellent idea, Admiral. One of our concerns is that we just don't know. We hear a lot of very serious argument about the effectiveness of or lack of effectiveness of that type of equipment. And perhaps that is the way we ought to go. We will work with you to maybe find that answer before we proceed any further with either requiring or not requiring that equipment. Admiral, thank you very much. I will now recognize the ranking minority member, but before I do that, Mr. Coble, Mr. Studds has submitted some questions for the record dealing with fishery law enforcement and vessel traffic systems in the budget. It also some interesting questions about some lighthouses somewhere in Massachusetts and the Provincetown wave barrier which he is concerned about.

Admiral KIME. I am certainly glad it is for the record, Mr. Chairman.

Mr. TAUZIN. I will submit these to you and ask you to respond in writing so that the chairman can have answers to these questions. I will now recognize ranking minority member, Captain Coble.

[Questions of Mr. Studds can be found at end of hearing.]

Mr. COBLE. Thank you, Mr. Chairman. Admiral, when I mentioned the icebreaker status earlier in so doing I added comments concerning activity in the Great Lakes. At that time I did not realize that a documentary has been placed before each of us submitted by the Lake Carriers Association where good things are written about the Coast Guard Cutter Mackinaw which as you know for years has served the Great Lakes.

So let me start with my perennial question. If you would bring us current on the status of the proposed polar icebreaker A, and secondly, what is in the offing in the Great Lakes assuming the Mackinaw is decommissioned. Perhaps a buoy tender with ice-

breaking capability as a replacement, et cetera. But B, if you will give me those two, please, sir.

Admiral KIME. Yes, Mr. Coble. First, on the polar icebreaker procurement, we have awarded an engineering design baseline contract to two shipyards—to present a design to us that would be the prelude to an award of a contract, for contract design and construction. We have received these, are reviewing them, and the cost proposals are due to be submitted tomorrow.

We are very hopeful that from these two submissions we will be able to select one and to award a contract during the fourth quarter of this fiscal year for this third icebreaker that is so much needed. That would be using the money that is currently in the DOD budget, about \$339 million. So we are very optimistic about the future of this.

Secondly, concerning the Great Lakes we have looked very carefully at ice-breaking in the Great Lakes because the Great Lakes is a very critical area—a very important area in the eyes of the Coast Guard, and certainly the movement of commerce up there is very, very important.

We did a study about 10 years ago on ice-breaking capabilities in the Great Lakes, and we have now reviewed again the information that we have and looked at what we must do and can do on the Great Lakes in terms of ice-breaking, in line with the budget considerations which are certainly not happy ones, as the Chairman mentioned.

We believe that the five existing 140-foot icebreakers on the Great Lakes will be adequate, based on information and data that we have, and the study that was done to evaluate ice-breaking on the Great Lakes. Perhaps in some very severe ice conditions the rate of progress would be slowed by a knot or two because of the 140-footers capability, but we do not think that this is an overriding cause not to decommission the *Mackinaw*; that would be two 140-foot icebreakers acting together.

We feel that this is really what the need is. We recognize the *Mackinaw* has greater capability than these other special ice-breaking tugs, but we don't think that ability is needed and it is not cost-justified; I will get into that in just a minute.

Certainly, while we feel that we will have the proper capacity there after decommissioning the *Mackinaw*, what we would like to do is a study that would perhaps lead, if necessary, and only if necessary, to the addition of a sixth 140-foot ice-breaking tug to the existing fleet of five on the Great Lakes.

Now, talking about costs, Mr. Chairman, it costs us about \$4.6 million a year to operate the *Mackinaw* with a crew of 85, and on average it is used for about 21 days of ice-breaking per year. That amounts to about \$220,000 per day. In addition to that, if we are going to keep the *Mackinaw* in service, we are going to have to spend about \$6 million on her in the next several years. And let me say, Mr. Chairman, that that is only for habitability and safety features.

I am familiar with the document prepared by our very good friends in the Lakes Carriers Association, with whom we work very closely—Mr. George Ryan and others—saying that the Coast Guard already has plans under way to automate the engine plant and the

bridge controls for the *Mackinaw*. That is in error. In fact, if we were to do that, we estimate it would cost us an additional \$40 million. So, I think we do have a proposal that we can substantiate based on a cost effective basis, and also the operational need. We do understand the concern that people in the Great Lakes have for the *Mackinaw*, but I think in these tight budget times that this is what we are going to have to do.

Mr. Chairman, we would hope to try to keep these closures and decommissionings to an absolute minimum. I think we have tried to do that and that is why the support of this committee for our budget is so important.

Mr. COBLE. Thank you, Admiral. Admiral, on what—and I will be quick here because I know we have many folks who want to ask you questions. What—on what date do you hope to have the cut down to—or the reduction to 8,000 in the reserve?

Admiral KIME. Mr. Coble, we are putting together a plan right now on how we would do that. The equity that would be involved in such a plan, minimizing the hurt to our personnel, are the things that we are looking at. And Admiral Lockwood, who is Chief of our Office of Readiness and Reserve, has put a group together to develop a plan. So, as of right now, I do not have a firm date. We have not begun a draw down as of right now although we have put some restrictions on the accessions into the Coast Guard Reserve—just to minimize the hurt.

Mr. COBLE. Very well. Admiral, are you satisfied with the—for want of a better work, pace of the Coast Guard's replacement and upkeep or maintenance of its capital assets?

Admiral KIME. I am very pleased with the proposed funding for AC&I in the President's budget this year. It is a significant increase up from \$340 million last year to \$414 million that is being requested this year. But, we are going to have to continue to pursue this very carefully in the future. In the past, we have averaged about \$500 million dollars in AC&I money to maintain and renew the Coast Guard's \$18 billion capital plant.

And, we believe that a funding level in the future averaging between \$500 and \$550 million is going to be necessary; that is only to replace the things that we have before us today, the things that we are considering.

The Chairman mentioned some of these projects: the ocean-going buoy tender (the WLB), the coastal buoy tender (the WLM); vessels that we are replacing that are 50 years old, and will be far older by the time they are replaced; the motor lifeboats, the new 47-footers, designed to replace the aging and slower 44-footers; the remainder of the OPBAT helicopters that we need so very much for the war on drugs; and VTS 2000, both for safety, and for prevention of oil pollution. In addition, new radars for our patrol boats, information management systems, the global positioning systems, and money for housing for our personnel that is so important. Mr. Chairman, and Mr. Coble, let me say how pleased we are that the President's budget request does contain \$45 million for two additional WLB's.

And looking to the future, let me say that after the year 2000 we are going to be looking at significant funding support necessary to replace the high endurance cutter and medium endurance cutter fleet, our 41-foot utility boats, and also our HC-130 aircraft.

So, what I am saying in short is that, yes, I am pleased now with what is happening, but I think this is something that bears very close attention; the current proposed level of funding is satisfactory for now, but in the future I think there is going to have to be an increase.

Mr. COBLE. One final question, Admiral, and let me preface this with this remark. Just because the general accounting office says it doesn't necessarily make it true, but in this town when the GAO says it people have a way of listening. You and I know that the GAO in the past has been somewhat vocal in his criticism of the Coast Guard concerning its acquisition process. I am going to give you a forum from which to respond to that, Admiral, if you would summarize what the Coast Guard has done to correct the problems if, in fact, the problems occurred and what improvements have been made in the management of the acquisition process since last year.

Admiral KIME. Mr. Coble, I appreciate the opportunity to speak to that. Certainly, I think there were some problems in the Coast Guard's acquisition process, and I think the Coast Guard, working together with the Department of Transportation, has made significant steps to improve what we do. I think we have an outstanding system now, and I think we have satisfied most of the concerns of the GAO, and certainly the concerns that I have.

Let me tell you what we have done over the period of a few years. Back in 1986 we created the Office of Acquisition and since then, we have been looking at two things. Number 1, What we buy, and number 2, How we buy it, because I think they are both equally important.

Let me talk first about how we buy it. We have worked very closely with the Department of Transportation through the TSARC process, the Transportation Systems Acquisition Review Council, in the procurement process. Working with DOT, we have published a major acquisition policies and procurement manual. We have upgraded our procurement documents in accordance with this, and to monitor the whole procurement within the Department of Transportation, a major acquisition council (involving the OST staff, the Coast Guard and FAA) has been formed.

I think we have had some considerable successes. We let a contract for the first ocean-going buoy tender in January 1993. That was on time and the cost was two-thirds of what we had projected. The procurement of the HH-60 helicopters is moving along very well. We are very optimistic on what is going to happen with the new polar icebreaker, and we are also very pleased with what is happening so far with the prototype of the five pre-production models of the 47-foot motor lifeboat. So I think we have a lot of success stories to back up what we say we have done on a policy and procedure basis.

Now the question that we also received criticism on was knowing what to buy, not just how to buy. We have worked very, very closely with DOT in developing procedures in-house, and have spent a tremendous amount of effort using Total Quality Management procedures. We now begin this process by requiring a mission analysis which is a detailed analysis determining if we should be doing this. Should we be involved in this mission? Secondly, once we find out

that the answer is yes, we should, we do a mission needs analysis. It asks, should we do it by an aircraft, fixed wing or rotary wing? Should it be done by ship, or by a boat? Should it be done by a shore station or be delegated to someone else? Once we decide we do have a need to do it, and that we know how to do it, we do an operations requirement document that specifies the type of facility—a ship, a boat, a plane, or a helicopter—to do it and then proceed from there using the procurement methods that I talked about.

Yes, I think we have gone a long way toward satisfying those concerns. And it distresses me a bit that I continue to see these criticisms repeated—appearing in the press as they did today in the "Journal of Commerce." I think this is vastly overstated and reflecting back on things that do not exist now, although certainly they did at one time. Thank you.

Mr. COBLE. Thank you, Admiral. Thank you, gentlemen, Mr. Chairman.

Mr. TAUZIN. Thank you, Mr. Coble. I am not sure that it gives us a lot of comfort to know that you are going to DOD on advice on acquisitions.

Admiral KIME. If I said DOD, I misspoke, Mr. Chairman, it is DOT.

Mr. TAUZIN. DOT. I was also surprised you didn't get any questions on the hazardous salad oil regulations yet, but we will get to that a little later. Mr. Lancaster for questions.

Mr. LANCASTER. Thank you, Mr. Chairman, and Admiral Kime it is always good to have you here. I wonder if you could share with us just a bit more on the impact of your mission in Haiti. How it is, number 1, impacting mission, but number 2 how it is also impacting your budget? And how long can we continue to be involved in this mission without serious degradation of our mission and without significant negative impact on your budget?

Admiral KIME. Well, that is a very good question, Mr. Lancaster. Obviously, the Haitian problem was a very major one facing President Clinton when he took office. And at that time, shortly before taking office, faced with what information that the Coast Guard, DOD and other agencies had provided—indicating that there was about to be a mass exodus of Haitians which would undoubtedly result in a massive loss of life—some action had to be taken. Mr. Clinton, on the 13th of January, made the statement that he would continue President Bush's initiative of direct repatriation. President Aristide also made a statement asking Haitians to stay home while their problems were being worked out.

On the 15th of January I conducted a press conference in Miami, indicating the stand up of "Operation Able Manner" which involved a significant number of Coast Guard ships, aircraft, and Navy ships to hopefully prevent or discourage a mass migration with the loss of life. And secondly, should that migration occur anyway to be able to save the lives of Haitians.

Since the 22nd of January, 1992, we have not seen any effort by Haitian boat people to leave Haiti in unsafe conditions, and come to the United States. Meanwhile, the President introduced additional steps to try to solve the basic problems that are involved here. One, he vastly expanded in Port-au-Prince, Haiti, our consul-

ar people there, so Haitians could apply directly at the U.S. Embassy for asylum in the United States, if they were qualified.

Secondly, working with the U.N., the Organization of American States, and Ambassador Kaputo, he mounted a major diplomatic effort to try to solve the problems. He is still working very, very hard on that. And also, once that can be accomplished, perhaps the critical issue of the economy of Haiti can be addressed in a proper way.

All of these efforts will remove the impetus for the illegal economic migrants to come to the United States. Meanwhile, I believe the Coast Guard is the finger in the dike and we are there to protect lives. That is why we are there, and we have diverted resources from other missions to do this. But lifesaving is our primary mission and certainly this is a place where we need to put the resources.

Now let me get to what the impact has been. We believe that the gross operating costs for "Operation Able Manner" are about \$20 million. Of course, these units involved are funded for multi-missions. And if we consider the funds we already have available we think the net increase is about \$5 million. Now, what the net will be at the end of the fiscal year, we don't know yet. It is too early to determine. I am not prepared to ask for a reprogramming or ask the Congress for additional funds at this time. Hopefully, a solution based on the initiatives of President Clinton will allow us to draw back our forces down there.

Now, addressing the impact it is having. First, it is having a tremendous impact. We are keeping our people away from home a great deal, and it is a very difficult job for them to do. In addition to that, it is disrupting the maintenance of our cutters, the shipyard availabilities, training for our people, and it is detracting from some of our other missions.

In particular, we have pulled a fisheries law enforcement vessel out of the Northwest Atlantic. We have cut back to zero on some of the enforcement in the Gulf of Mexico and certainly we have pulled many of our cutters out of the Lower Caribbean and the choke points, asking the Navy to step in. Fortunately, in that case we have a defense in depth so, if I were a drug smuggler right now, I would not look at this with any glee.

But certainly, we would hope that this can be brought to a satisfactory conclusion just as early as possible. It is a major problem that goes far beyond the Coast Guard. We are trying to do our part in the most cost effective and humanitarian way.

**Mr. LANCASTER.** In the past you have requested and received significant DOD transfers. I noticed in this pie chart that defense readiness has more than doubled since 1987, but yet this year's budget does not call for any DOD transfers. Is that something that will happen later? Is it something that will not happen this year and as to either of those questions why and why was it not part of the original request?

**Admiral KIME.** That is a very good question, Mr. Lancaster. In the past, the Coast Guard has received funding from DOD. Sometimes as much as \$600 million a year, averaging for a long while about \$240 million in AC&I, and perhaps \$300 million in either services-in-kind or dollars for our operating expenses.

Much of that was due to the budget agreement that was reached that set up the firewalls to try to provide funding for the Coast Guard and the other areas in the transportation budget (function 400) that were necessary. Most of this initiative was taken by the Congress, except for last year when the President, as a result of the firewalls being up and the budget under tremendous stress, did submit a request for DOD funding as part of the budget.

The firewalls are down now and that is the reason why all of the Coast Guard funding is proposed in function 400. We are very much aware of the \$3.7 billion difference between the President's budget and the budget resolution in transportation, and the stress that that places on the budget. We still would hope that all Coast Guard funding could come from function 400, but we hope even more that the Congress is able to find a way to provide the funding that the Coast Guard needs for the very, very many missions that have been assigned to us.

We are also concerned about any perceptions that money coming from other functions would bring about oversight of the Coast Guard by other committees. This is something we would like to avoid at all cost. We are a multi-mission organization and we don't think that that is a workable solution. If funds were to come to the Coast Guard from DOD, or from elsewhere, for the 1994 budget, we would hope that oversight and authorization would remain with this committee and in appropriations, by the present appropriations subcommittee.

We think that the precedent that was set when funding did come from DOD, where oversight remained with the existing committees, is a good precedent and we would hope that would continue if we do get funding from other functions.

Mr. LANCASTER. Admiral, I applaud the work that you have done on quality of life, but of course you have indicated that there still remains to be other places where funds are needed and where work needs to be done to improve not only housing but also other infrastructure on Coast Guard facilities.

One area that I would like to ask about and I should know the answer to this but I don't; is whether or not you run your own exchange and commissary systems, and if you do, have you considered perhaps contracting with either NEXCOM or AAFES for your exchange facilities and with DECA for your commissary to obtain the benefits of their buying power which is significantly greater than what your service would be able to achieve on its own.

Admiral KIME. We do run our own exchange and commissary system—very few commissaries, but we have them in areas where our people do not have access, for the most part, to DOD facilities.

In the case of commissaries, as an example, we have turned over the management of the commissary on Governor's Island to DOD. As far as taking advantage of increased buying power, we are now looking at plans by which we can do that either internally in the Coast Guard—by centralizing and consolidating our buying for all our exchanges, or perhaps, looking into what could be done by AAFES or others for us.

Mr. LANCASTER. I would encourage you to do that and having chaired that panel on the armed services committee I would be anxious to work with you in making that happen. I really think

that you could achieve a much higher level of product and service to your personnel if you looked at cooperative ways or perhaps even contracting out this function to those much larger systems.

Admiral KIME. Mr. Lancaster, I certainly appreciate your offer of assistance. We are going to take you up on that and we will be making contact with your staff to establish a dialog. We appreciate that very much.

Mr. LANCASTER. Thank you.

Mr. TAUZIN. Thank you, Mr. Lancaster. The gentle lady, one of the five members from the State of Florida, Ms. Fowler.

Ms. FOWLER. Thank you, Mr. Chairman, I appreciate it. I have several questions, Admiral. One, as I have stated earlier my concerns with the reduction in the reserve. And it is my understanding that the last policy statement that this committee received on the Coast Guard Reserve was to Congress by Secretary of Transportation Burnley back in 1988. And in that study it was estimated that 27,500 additional Coast Guard personnel would be needed for wartime mobilization. And I know at that time reserve components of the other services were maintained at about 95 percent of their mobilization requirements.

My understanding that the Armed Services Committee which authorizes a number of your Coast Guard reservists consistently authorized the Coast Guard Reserve at levels consistent with that plan, but you never received the funding to bring it up to that. And in fact, you have declined from 12,084 reserve strength in 1988 to 10,500 this fiscal year. So I am concerned. Now you are proposing to cut it down to 8,000 and even with our decrease in what we are saying our wartime mobilization, isn't that a fairly sharp decline in your reserve strength?

Admiral KIME. Well, let me say that we were, as you indicated Ms. Fowler, never able to get support for a Coast Guard Reserve that approached the number that Mr. Burnley put forward. And since that time, of course, we have seen major changes in the world. The collapse of the Soviet Union, and shelving of war plans for a global war, with the recognition that we would have several years warning before anything of that magnitude can materialize again. So we have been working very closely with DOD to see just what our needs are.

I have been studying this issue for quite some time and I have testified before this committee that we would hopefully have a study for you by September of this year, and we have been working on that. And as I say, we are reviewing the Coast Guard's needs and how we augment DOD forces.

Let me say that we have looked at the DOD scenario of being able to respond to two regional responses at the same time taking into consideration what the Coast Guard might have to do in case of a national emergency here in the United States. And we have arrived at a figure based on our assessment, and the study which won't be complete for at least another two months. We feel the figure of 8,000 is rock solid and is one that we can support.

Based on the very tight budget considerations and the many challenges we have, we had to go forward in the budget with the best information we have. And, I think it is pretty solid information for the 8,000. As I say, that justifies the military defense mobi-

lization needs for the Coast Guard Reserve. We think, based on a great number of years of past history of Coast Guard Reservists also responding to non-defense related emergencies like I talked about, that this would be an adequate figure.

Now I am concerned, too, about the impact of this sudden draw down, because it could result in approximately 1500 people being involuntarily placed in the inactive reserve—something that we certainly wish could be avoided. But, I think, based on the overall budget considerations, and the constrained times that are we in, this is the judgment that we had to make.

Ms. FOWLER. Well, Admiral, as you know I am on the Armed Service Committee and through the hearings I have been sitting through there, I think we are in a more unstable world today than we were a year ago. I don't think we are in a better position at all and I am deeply concerned that in every branch of the service we are having cuts proposed that is totally driven by budget considerations not by military policy, not by what the needs truly might be or are going to be.

That the budget as you have just said twice—you know, these are budget driven. It isn't just the Coasts Guard. We are hearing it from the other branches, too, and I am deeply concerned that we are not getting information—you know, based on truly analysis of what the demands could be around this world if we do have two regional conflicts and you are still trying to deal with all the demands you have on you within this country and can you meet those. Now I gather you said you are going to have a policy justification to us by September of this year, is that correct?

Admiral KIME. We would hope to have it before then.

Ms. FOWLER. Before then.

Admiral KIME. Yes.

Ms. FOWLER. So that would then look at it differently from looking at it from a budget standpoint but from a military needs analysis.

Admiral KIME. Ms. Fowler, let me say I certainly share with you the fact that the overall threat has gone down, but instability has increased tremendously in the world. I think all of us agree on that. Chairman Powell has discussed that many, many times.

It is not, I think, a fair assessment that the figure we have here is budget driven. I think the speed with which it is happening is perhaps budget driven, but when I look at what has happened—our strategic ports have been reduced in this country for out load to both supply and resupply our people overseas, going from 48 to 16. And the threat in the continental United States has been reduced.

Also, in support of the commanders in chiefs, the CINCs, our global plans have basically been put on the shelf without maintenance. Several old plans dealing with Central America are no longer required. Several old plans have new versions based on Desert Shield Desert Storm, but that has basically not changed the Coast Guard participation.

Certainly, several new regional plans that were formerly covered by global plans have been generated, but the demand for Coast Guard personnel there has been reduced. So, I think we have done an honest assessment based on what we have and I think we have to come up with a rock solid number that we can appreciate. So,

while perhaps the speed with which the draw down occurs is impacted by the budget, certainly, I think the absolute number of 8,000 is fairly well justified.

Ms. FOWLER. Could you then explain to me how the reserve mission of the Coast Guard is different from the reserve mission of the other services?

Admiral KIME. Yes. It is very, very much different. In the other services, many times reserve units are mobilized and deployed as an intact unit whether it be an air wing, whether it be a reserve ship, or whether it be a medical detachment, they are picked up lock, stock, and barrel and moved. The Coast Guard Reserve forces are mobilized to augment existing Coast Guard units and DOD units with three exceptions. And those are the mobile teams, the port security units—the three that we sent to the Persian Gulf. So that is a major difference.

Ms. FOWLER. But with this reduction you would still be able to—

Admiral KIME. And what they do is also very important—they provide backfill. Sometimes the people forward deployed, in the operations plans, are people in Coast Guard billets INCONUS and the Reserves would provide the backfill. That is how our structure is done.

Ms. FOWLER. And reducing to 8,000 you would still have enough to perform those functions, then?

Admiral KIME. Yes, ma'am, we believe we do.

Ms. FOWLER. Is there anyway to take some of this money that you have recommended for new programs, that is a little over 7 million and you are cutting about 9 million, I believe, out of the reserves and instead use some of that money to help keep some of these reserves or use some of these reserves in some of these programs like your fisheries, law enforcement, training centers or some of these where you could keep some of the reserves and use them in these capacities?

Admiral KIME. Well, Ms. Fowler, we have agonized over this budget with the Department of Transportation, with the Secretary personally, and with OMB, to try to establish the proper priorities. And I think that is what we have done. I think we have to be very honest with ourselves, with the Congress, with the Administration, and the American public—and we have to define what our real needs are. Those that we can justify. And I think that is what we have done.

That \$7 million dollars increase in OE is probably the lowest we have had in recent memory. Certainly, I can remember pretty well and I can't remember when it has been lower than that.

Ms. FOWLER. I just have one last question, Mr. Chairman, and it really goes along with what you were stating earlier on your concerns with the reduction on drug interdiction and I had to step out for a few minutes during that debate, but I guess you pointed out that in their own budget in brief it does show that from 1988 when you were spending 23.1 percent of your budget to your proposal for 1994 you are down to 14.1 percent. And the same with search and rescue which in the State of Florida is also important. You went from 20.5 percent in 1988 to 14.9 percent in 1994 and this is page 5 of your budget in brief.

Admiral KIME. Yes. Ms. Fowler, let me speak to both of those. On drugs, I gave a very lengthy answer to the chairman.

Ms. FOWLER. I heard part of it.

Admiral KIME. And if you would be agreeable to looking at that in the record.

Ms. FOWLER. I would.

Admiral KIME. Fine. I think I covered everything there. On search and rescue, let me say that we have had a gradual draw down in search and rescue because we have taken the "search" out of search and rescue. I think if you look at our measures of effectiveness, the numbers of percentage of lives saved in 1993 compared to 1983, after the Coast Guard was notified of an event, it is 93 percent now. Our goal is 90. That figure was in the middle 1980's back in 1983.

We have mounted a major campaign on education, working with the states, working with the Coast Guard Auxiliary, working with the Power Squadron, and a major campaign with boating manufacturers to improve the safety of vessels.

In addition to that, we now have EPIRB (Electronic Position Indicating Radio Beacons), that tell us where an incident is so that in a matter of minutes we can go directly to where the person is. We have instituted rules on boating-while-intoxicated. A great amount of effort is done. So I think by all measures of effectiveness we are more effective now in what we do, for less cost.

Certainly, I think if we had to line up all our priorities and I had the most urgent case in each of our mission areas, I would pick the one in search and rescue to respond to first because that involves lives, just as we have in Haiti. Not because it is migrants, but because it involves lives.

Ms. FOWLER. Thank you. That was my concern just to make sure you are still—even though you are reducing your budget if you are keeping the level of response up and that is what we need. Thank you so much, Admiral. I appreciate it. Thank you, Mr. Chairman.

Admiral KIME. Thank you.

Mr. TAUZIN. Thank you, Ms. Fowler. Gentleman from Michigan, Mr. Stupak.

Mr. STUPAK. Thank you, Mr. Chairman. Mr. Chairman, I would again like to state my opposition to the Coast Guard's decision to decommission the icebreaker *Mackinaw*. You know, I believe it to be without merit and it would prove to be devastating not only to Cheboygan but to the steel mills, the utility companies, and the major employers in the Great Lakes Region.

I have a statement on that, Mr. Chairman, but I would prefer just to submit that to the record.

Mr. TAUZIN. Without objection it will be part of the hearing.  
[Statement of Mr. Stupak follows:]

STATEMENT OF HON. BART STUPAK, A U.S. REPRESENTATIVE FROM MICHIGAN

Mr. Chairman, I would like to state my opposition to the USCG's plans to decommission the icebreaker cutter *Mackinaw* which is located in Cheboygan, Michigan.

As you know, Mr. Chairman, the '94 budget for the USCG proposes to decommission and scrap the USCG icebreaker *Mackinaw*. I believe that this proposal is without merit and would prove devastating to the Cheboygan, Michigan, area and to the steel mills, electric utilities and other major employers of the Great Lakes basin.

As is noted in the comments of George J. Ryan, President of the Lakes Carriers' Association, whose testimony I understand is before all Members of the Committee and which I ask the Chairman to include in the record of today's hearing, the *Mackinaw* is the only Coast Guard cutter in the Lakes powerful enough to clear channels clogged with 10 to 12 foot ice floes. The bay class tugs would be ineffective against ice deeper than 3 to 4 feet.

The *Mackinaw* is the only icebreaker on the Lakes with enough power to clear ice jams that have clogged the St. Clair River twice in the last decade and have threatened severe flooding in the St. Clair, as well as in the St. Mary's and Detroit Rivers.

The *Mackinaw* is the only Coast Guard cutter able to perform Search and Rescue missions when gale force winds bring waves as high as 20 to 25 feet.

The *Mackinaw* is a unique vessel with unique ice breaking capability. It is 290 feet long, has a 74 and a half foot beam and an engine that generates 10,000 shaft horsepower. The Coast Guard's plans to use two Bay-class tugs operating in tandem to open channels for 105-foot beam ore carriers (of which there are 14 on the Lakes) are feasible only in moderate ice. The two tugs will not and cannot match the proven ability of the *Mackinaw* to break thick brash ice or 12 foot high windrows of ice that build up in the Straits of Mackinaw, Whitefish Bay and other locations that need to be transited.

Iron ore is the primary cargo moving in early and late season sailings. The 8,600 miners in Minnesota and Michigan stand to lose the most if this product cannot move. If steelmakers believe that the loss of early and late season sailings will create a shortfall in ore requirements, they will seek the ore elsewhere and reduce production schedules at U.S. mines. Mine closings and the resulting loss of wages would follow.

The *Mackinaw* is the only ice breaker that can accomplish its mission no matter the ice conditions. The other Coast Guard forces on the Lakes do not have the horsepower, beam or operational capability to take the place of the *Mackinaw*. Industries that are reliant on the free flow of cargo on the Great Lakes can realize such a free flow before March 1 and after January 15 only if the *Mackinaw* is in service. Clearly, the *Mackinaw* must not be decommissioned.

Mr. STUPAK. OK. Along with the—in our packets we have statements from the American Maritime Officers Service by Mr. Spencer—Mr. Gordon Spencer. I would like that to be included. The statement by Mr. Charles Crangle of the American Maritime Officers and which was referred to earlier by Mr. Coble, the statement by George Ryan, President of Lake Carriers Association. I would like those statements—

Mr. TAUZIN. Any objection? Without objection so ordered.

[The statements mentioned may be found at end of hearing.]

Mr. STUPAK. Thank you. I have a couple questions first by Mr. Lipinski who could not be here, but he is from Chicago, of course, and shares my concerns about the decommissioning of the *Mackinaw*.

In fiscal year 1993 we allocated \$500,000 to upgrade the *Mackinaw*. To this date has any of those moneys been spent?

Admiral KIME. We have spent money on upgrading the *Mackinaw*. Only about a million dollars I believe, Mr. Stupak, for habitability considerations and also for safety considerations—not for upgrading it to increase its longevity, or upgrading it for the purpose of reducing its operating cost.

Mr. STUPAK. So then within the last year you have spent a million dollars then in that area?

Admiral KIME. In the last two years, I believe.

Mr. STUPAK. Last two years. You mentioned your study that you did about 10 years ago as to the ice-breaking capabilities of the *Mackinaw* and other classes of icebreakers that may play a role to help us in the Great Lakes Region. Did that study take into the other missions that the *Mackinaw* performs such as rescue mis-

sions when the waves are 20 to 25 feet on Lake Superior or Lake Michigan or through the states or when it does the work of buoy tenders. I know a few years ago you lost one up in the Keweenaw Peninsula in the storm because it could not handle that storm. Or like in 1992 when it had to go in and break up the ice to save a salt water vessel in the Whitefish Bay area. It was drifting toward a shoal and if it would have broke open there we would have had an oil disaster, an environmental disaster, and are these other little ships you are speaking of going to be able to perform those capabilities that the *Mackinaw* can perform?

Admiral KIME. These vessels don't have the capability of the *Mackinaw*, Mr. Stupak, but they have the capability that is needed based on the studies that we have done. We certainly are concerned about all our missions on the Great Lakes and the *Mackinaw* is primarily an icebreaker. Perhaps from time to time it has been used for other Coast Guard missions being a multi-mission ship like all of ours are.

But, we believe we have that covered. We have looked at all angles. Certainly our search and rescue capabilities in the Great Lakes are extensive with the air stations that we have there and the tremendous number of small boat stations that we have. Our Aids to Navigation (ATON) program is well covered because we are making cost effective use of these ice-breaking tugs in the summer-time.

We have bought two ATON barges and now we are able to marry these tugs up with the barges in a very cost effective way to provide additional resources for the Aids to Navigation on the Great Lakes during the summer. I certainly am sympathetic to the concern that the citizens of the Great Lakes have, but this is not a decision that we have entered into lightly and not without a great deal of thought.

Mr. STUPAK. Well, my question wasn't one for sympathy. My question was did you take these other missions into consideration?

Admiral KIME. Yes, sir, we did.

Mr. STUPAK. And then you still feel that these other 140-foot boats can do this job?

Admiral KIME. I feel that the 140-foot vessels we have, and all the other resources that I just enumerated on the Great Lakes can fulfill the Coast Guard missions there.

Mr. STUPAK. Well, during a critical time from March 25 to April 17 of this year two of your five 140 foot boats have been down, have they not? They have been—would you call them—I am trying to look for your words. They were broken down for mechanical reasons. In fact, one of them is still out of service where the *Mackinaw* has a very good record of maintaining and being able to perform the function. So if you lose 40 percent of your ice-breaking capability as you are this year, how are you going to continue it if you decommission the *Mackinaw*?

Admiral KIME. Well, I can't verify your number, Mr. Stupak, but let me say I don't think it is indicative of the operating efficiency and effectiveness of the Coast Guard ice-breaking fleet on the Great Lakes. One of the vessels was down for a casualty repair for about eight days. I don't know of any significant adverse impact from that.

Certainly, these vessels have a high degree of reliability. And as I mentioned, if we are going to maintain any kind of reliability for the *Mackinaw* in the future years, we are going to have to spend tremendous amounts of money on her to do that, because the vessel is 50 years old. I know that is not old by Great Lake commercial ship standards, but certainly she has been run hard and a great amount of money would have to be spent on her. We are satisfied with the reliability of the 140-footers.

Mr. STUPAK. But more than just your immediate cost effectiveness have any of your studies or any of your surveys taken into cost to these steel companies, to utility companies, to the shipping on the Great Lakes between March 25 and April 17. These 140 footers are very effective in about three feet of ice, but as you know the windrows of ice up there are as much as 12 feet. We have had severe flooding problems in the last decade along the Detroit River, St. Mary's River, the Saint Clair. Have you taken these economic factors into consideration?

Admiral KIME. We have looked at the ice-breaking capability—the capacity of the vessels that we will have on the Great Lakes; and we have looked at the economic considerations, Mr. Stupak. We recognize that and we believe that we will have the capability to do the things that are absolutely necessary. As I say, we are asking the American taxpayers to pay \$220,000 a day for the ice-breaking capability of the *Mackinaw*, plus at least \$6 million more to keep her in service for any time at all. And before we make that decision, we have to see if there are other alternatives—and we believe we have found some.

Mr. STUPAK. Sir, that is where we have to disagree with you. You mentioned the cost of the *Mackinaw* for ice-breaking for maybe 21 days, but you have not taken into consideration, or at least, I have not heard it from your testimony all the other things that the *Mackinaw* performs for you on the Great Lakes that you have not taken into consideration. And then you have not taken into consideration the economic impact it has on our manufacturing base, our steel mills, our utility companies that can't move their products out during the critical times.

Admiral KIME. We certainly have taken into account the other things the *Mackinaw* does and we believe they can be done by the existing Coast Guard resources that are on the Great Lakes. And certainly, based on our assessment, we do not believe that these economic impacts that you cited are going to come about. We believe we have the capability in almost all instances to be able to keep the transportation moving.

Mr. STUPAK. Well, is it not true that the 140 foot tugs that you have for ice-breaking now or you have proposed that their crews can go for 16 hours and then they have to shut down because of fatigue where the *Mackinaw* goes 24 hours and does not shut down because of fatigue?

Admiral KIME. We believe that with the number of tugs that we have there operating in tandem, as we talked about, that we have the capability to keep the transportation lanes open.

Mr. STUPAK. But my question was is it not true that they only go 16 hours where the *Mackinaw* goes 24 hours?

Admiral KIME. I don't know if we have endurance standards based on the fatigue limit that has been reached on the vessels. But that would be one of the things that we would have taken into consideration in making this determination.

Mr. STUPAK. You would have or should have or—

Admiral KIME. Would have.

Mr. STUPAK. OK. Well, if you are going to decommission the *Mackinaw*, what do you propose to replace it with up in the Great Lakes area there—the Northern Great Lakes area?

Admiral KIME. As I indicated, we would be looking at the five ice-breaking tugs, 140-foot vessels that have considerable capability, to replace her. If, in fact, we felt that that is not sufficient, then we would look toward putting yet a sixth 140-footer up there, but we don't believe that is absolutely necessary.

Right now, in addition to the *Mackinaw* in Cheboygan, Michigan, we have the *Katmai Bay* in Sault Ste. Marie, Michigan, the *Bristol Bay* in Detroit, the *Mobile Bay* in Sturgeon Bay, Wisconsin, the *Biscayne Bay* in St. Ignace, Michigan, and the *Neah Bay* in Cleveland, Ohio. Those are the locations of the five that we have.

In addition to that, Mr. Stupak, we have entered into an agreement with the Canadian Coast Guard. They maintain icebreakers in the Great Lakes, too. And we would envision sharing duties and responsibilities with the Canadians if we did have a critical situation. Certainly, we have already done that in operating in the Northeast, where the Canadians have agreed to do ice-breaking in the Eastern Arctic for us so that we don't run an icebreaker all the way from Seattle down through the Panama Canal and up to the Arctic.

And we have, by the same token, done ice-breaking for the Canadians on the west coast of the United States. So we have an agreement that currently is in effect with the Canadians, and it looks at areas where we traditionally share the coverage. If, in fact, we had an extreme situation we would look to the Canadians to provide assistance to us, just as we do both on the Great Lakes and elsewhere.

Mr. STUPAK. Well, is that an agreement that has been in someplace for sometime with the Canadian government?

Admiral KIME. Yes, sir. We have very close relationships with the Canadian Coast Guard.

Mr. STUPAK. And you have never had to call upon them in the past because the *Mackinaw* has provided the service you needed, correct?

Admiral KIME. This agreement has been in force for 10 years. I don't know if we have ever had to call on the Canadians for anything the *Mackinaw* could or couldn't do. We could get information for you on the number of times we have used the Canadians up there.

[The following was submitted:]

#### CANADIAN ASSISTANCE

As far as we can determine, there has only been one time during the past ten years when the Coast Guard made a specific request for Canadian icebreaking assistance. This is primarily a result of the Memorandum of Understanding which sets out certain areas for which each country is responsible. In the interests of both

countries, the U.S. Coast Guard coordinated icebreaking efforts with the Canadian Coast Guard in 1984 and in 1987 during counter-flooding operations in the St. Clair River.

Mr. STUPAK. OK. I would like to see that. Also, you mentioned these other ships where you had them at about five different ports, but if I remember your testimony here this morning you said you are going to use two of these 140's to take the place of the *Mackinaw*. Then won't you have to put two of them up in Cheboygan where the *Mackinaw* is located?

Admiral KIME. We have taken a very careful look at where we ought to home port our vessels. And certainly, if we move *Mackinaw* it would not move until the summer of 1994. There would be plenty of time to assess, in fact, if we should change the home port of any of the other vessels. Certainly, only two would be needed. You know, the *Mackinaw* breaks three feet of ice continuous at three knots. These tugs each break two feet of ice continuous at three knots and certainly it would only be at specific times that we would need the increased capability where we would have to have two of them there.

Mr. STUPAK. But then once you get over three feet that is when the *Mackinaw* really shows its grit with the 10,000 horsepower shaft, isn't that true?

Admiral KIME. Well, the *Mackinaw* certainly has greater capability. The question is how much of that capability is needed. I think that is really the thing at issue. It is not a question of which is the most capable vessel. It is what is the required capacity to have?

Mr. STUPAK. Well, you know, you mentioned your study was both 10 years ago and there was some update. Did you do any updating this year?

Admiral KIME. We have looked at the continuous data that we have had, yes, sir.

Mr. STUPAK. Well, then you are well aware that the ice conditions this year, in particular, is worse than normal?

Admiral KIME. We recognize that conditions this year, yes, are significant.

Mr. STUPAK. How do you assure there won't be any flooding on Saint Clair and on St. Mary's and the others then if you don't have this heavy duty icebreaker?

Admiral KIME. We believe that the ice-breaking capability we are going to have from the other vessels will be sufficient to do that.

Mr. STUPAK. I guess we will respectfully disagree and I will end my questioning here. We are just going around in circles. Thank you.

Admiral KIME. Thank you, sir.

Mr. TAUZIN. Thank you, Mr. Stupak. By the way, Bart, this guy on my left has been whispering in my ear something about a final four victory. He just wanted me to remind you.

Mr. STUPAK. Well, if we had the Coast Guard Cutter *Mackinaw* up there it might have been different.

Admiral KIME. We get blamed for everything, Mr. Chairman.

Mr. TAUZIN. Mr. Laughlin is recognized, the gentleman from Texas.

Mr. LAUGHLIN. Thank you, Mr. Chairman. Admiral, in looking over your budget in brief the section beginning on page 22, acquisition construction and improvement, actually on page 23 where it talks about shore facilities and Aids to Navigation. I carefully reviewed that and unless my knowledge of geography is lacking there is not one request in there from the Key West area on the Gulf of Mexico all the way around to the Mexican border at Brownsville. Is that to say that there are no needs for repairs to your facilities or Aids to Navigation at any of the Gulf of Mexico facilities?

Admiral KIME. No, sir. Let me say that, first of all, there is a significant amount of money already in our budget for work in the Key West area and other places. We are talking here about major upgrades or major new construction for facilities. This is the Acquisition, Construction, and Improvements appropriation for major facilities. This is money that is either five-year money or three-year money for various types of major improvements. In addition to that, we have money in the budget for minor AC&I projects.

We have a very rigorous program where planning proposals are submitted from the local area for their needs and they are screened on a priority basis, and I am certain that if there is anything in the Gulf area that needed attention that we would look at it.

Let me point out though that if you were to look at the minor AC&I part, it does have two Key West improvements costing \$300,000, and in Freeport, Texas, there is a project to extend a bulkhead for \$5 million.

Mr. LAUGHLIN. Where is that because I missed it?

Admiral KIME. That is under minor AC&I, the second one down on the list, \$8 million. I just have the detail breakout here that I could pass to you. In addition, let me say that the vessel traffic system money that we have asked for in this budget involves seven "tier one" ports where we would be taking action. Three of those seven ports are in the Gulf of Mexico.

Mr. LAUGHLIN. Well, when you look at this sheet though it certainly appears to be an East Coast, Alaska, and State of Washington Facilities Improvement Act.

Admiral KIME. No, sir, it certainly isn't, and if I could provide you with some history. I would like to provide you with some background—

Mr. LAUGHLIN. That would be fine.

Admiral KIME [continuing]. on what we have done and if you, sir, have any specific information of a facility down there that you feel is being neglected we would certainly like to know about it.

Mr. LAUGHLIN. Well, and I appreciate that. You know, I have always been cooperative, but when you review this everyone is either on the East Coast, Alaska, or Washington in this section of facilities improvement. And I understand the gentleman from—

Admiral KIME. Sir, we spent over \$20 million at our air station in Clearwater, Florida, in the last few years. We have spent a tremendous amount of money in Texas and will continue to do that. And believe me, there is no attempt to give priority to anything that doesn't merit that priority on its own.

Mr. LAUGHLIN. The point I make is the Gulf of Mexico region of our country is very vital both from a boating, shipping, and environmental viewpoint and one can only look over to the environ-

mental side at the EPA and other categories there and you will find that the Gulf of Mexico is 200 times larger than the Chesapeake Bay. Yet they have put about 50 times more funds into the Chesapeake Bay and so—and then you look at the Great Lakes and you can fit the Great Lakes and the Chesapeake Bay inside the Gulf of Mexico two times and have water left over and you find they are spending substantially more money on the Great Lakes. So I have started looking at this and then I look at the Coast Guard and 7 of the 11 largest ports in the United States as far as tonnage is concerned in the Gulf of Mexico and I find that in your chart here we don't have any improvements to facilities listed and so that is the reason I raised the question and I would appreciate your response.

Admiral KIME. Let me talk about that a little bit, sir. And I would like to expand on that: the first pre-positioned pollution response equipment was put into the Port of Galveston, Texas. Many, many other things are being done. Let me give you a snapshot of how much money the Coast Guard is spending in the Gulf area in 1993 and some background on major construction that we have done down there and have planned for the future. You have looked at a snapshot for only one fiscal year, and perhaps if you looked at it next year, these won't appear as new projects even though the money continues to be expended. That money will be spent over a 3 to 5-year period.

Let us look at a snapshot for the year before. I think you will see a different picture. Let me give you, instead of a snapshot, a movie version of what this is and show you what resources are in the Gulf of Mexico. I think you will find they are considerable, and in fact, the Chairman has a considerable number in his district as do many of the members of the committee.

Mr. TAUZIN. That was nasty for you to—

Admiral KIME. Because of need, not because he is the Chairman.

Mr. LAUGHLIN. Well, I think you appreciate the thrust—

Admiral KIME. They were there before the Chairman became Chairman.

Mr. TAUZIN. That is a lot better, Admiral.

Mr. LAUGHLIN. I am sure you appreciate the thrust of my question. When you look at this budget and there is not one facility mentioned and I wasn't trying to pick on an improvement for Key West, Florida. I used that as the boundary, but there is substantial shipping and substantial Coast Guard involvement as we all know and I found the failure to have any mention of the fact that it may have been overlooked and I appreciate your response.

Admiral KIME. Well, I think it would be useful to look at our response to Hurricane Andrew in the Gulf of Mexico, the recent tornado that hit Grand Isle, Louisiana, and places like that, and what we have done over the years in the tragedies that hit Texas. We do have a considerable infrastructure and level of activity there because, as you say, it is one of the most vital areas in maritime commerce and utilization of the waterways of any part of the country.

[The list of shore facility construction projects may be found at end of hearing.]

Mr. LAUGHLIN. And I was going to ask last about the oil spill, but since you brought it up where are those in the Upper Texas

Coast. Is it just Galveston that you have an oil spill response team located?

**Admiral KIME.** We have 19 sites around the country for prepositioned oil spill equipment, and there are several in that area. I don't have the listing of the 19 in front of me, sir, but I will provide it to you.

**Mr. LAUGHLIN.** I would like to meet with some of your staff on those locations and have—and for that meeting I would like for them to have tonnage shipped in their intracoastal canal by way of hazardous materials so that we can have some discussion. While I represent over 200 miles of the Texas coastline and intracoastal canal I am not suggestive that one has to be there, but matters that you have no control over—everybody in the state capital of my state thinks that anything below Galveston must be located in Corpus Christi.

And since the chairman of one of our subcommittees is from that town and is not here present at this hearing I want to distress that there is substantially more tonnage moved through other parts of the upper Texas coast than Corpus Christi and perhaps there are other locations. And I certainly would defer to you-all's judgment, but just because Corpus Christi is a large city doesn't mean that your response team or facility should be located there. And I would like to have a review of that material. It doesn't have to be at a hearing, but if you will have your appropriate staff person call me and you don't need to be present. You don't even need to hear the results. I just want to know the criteria involved.

**Admiral KIME.** Well, I certainly would like to hear the results, sir. Let me say that we arrived at these locations based on mandates put in OPA 90, and also the evaluation of accident history, amount of traffic, and potential environmental impact. All these things were cranked in and we certainly will get together with you.

[The following was submitted:]

#### PREPOSITIONED OIL SPILL EQUIPMENT SITES

The 19 sites around the country for prepositioned oil spill equipment are:

Anchorage, AK; Astoria, OR; Boston, MA; Charleston, SC; Corpus Christi, TX; Detroit, MI; Eureka, CA; Galveston, TX; Honolulu, HI; Long Beach, CA; Mayport, FL; New London, CT; New Orleans, LA; Portsmouth, VA; San Juan, PR; Seattle, WA; St. Louis, MO; Tampa, FL.

The criteria involved in selecting the sites:

The Coast Guard selected the sites based on locale and risk. The following specific criteria were considered as per the Statement of Managers for OPA 90:

(1) the availability of facilities suitable to load and unload heavy or bulky equipment by barge;

(2) the proximity to an airport capable of supporting large military transport aircraft;

(3) the flight time to provide response to oil spills in all areas of the Coast Guard district which hold the potential for marine casualties;

(4) the availability of trained local personnel capable of responding in an oil spill emergency;

(5) areas where large quantities of petroleum products are transported.

The locations provide logical hubs for storing rapidly deployable cleanup equipment in regions where ports or ship channels are used to transport large amounts of petroleum products. There is also a large enough Coast Guard contingent in these areas to be able to rapidly deploy the equipment using Coast Guard resources, if necessary.

The following is a list of crude petroleum freight traffic for major Texas ports provided from data compiled by the Army Corps of Engineers in a report entitled "Waterborne Commerce of the United States—Calendar Year 1989":

<i>Location</i>	<i>Crude Petroleum Freight Traffic (Short Tons)</i>
Sabine-Neches Waterway (Beaumont, Orange, Port Arthur, and Sabine Pass Harbor)	32,896,930
Houston Ship Channel	30,300,332
Texas City Channel	24,510,146
Galveston Channel	1,405,541
Freeport Harbor	8,605,287
Corpus Christi Ship Channel	21,379,662

Sites located at Corpus Christi, Texas; Galveston, Texas; New Orleans, Louisiana; and Tampa, Florida are intended to cover the Gulf Coast Region. Each of these locations will receive approximately \$800,000 worth of equipment which consists of the following: two skimmers (devices that recover oil from the surface of the water and can be deployed by a wide variety of boats), two portable floating barges (devices that can be quickly transported to spill sites and used to contain recovered oil), and 5000 feet of oil containment boom (used in the water like a floating fence to contain oil so that it can be skimmed more efficiently). The equipment will be kept on four low-bed trailers ready for transport in the event of a spill.

Mr. LAUGHLIN. Thank you, Admiral. And the last area I want to ask you about is on the appropriation for alteration of bridges. In looking through there I see a number of bridges listed and I do not see the Intracoastal Canal Bridge at Surfside, Freeport, Texas, listed. And it may not even be in your jurisdiction, but I have had a number of people at that location tell me that is rapidly becoming one of the most unsafe bridges in America. That parts are falling off and now they have part of it barricaded and I wonder if you know anything about that bridge. And if it ought to be in this category, then I want to work with you because the people at Freeport just as recent as three weeks ago told me how unsafe it is and I am working a different avenue. And when I saw it here in your category I thought we ought to—I ought to inquire as to whether it belongs there or not.

Admiral KIME. We will, sir, look at the status of that bridge and get back to you. Let me say that the money that we have for bridges under Truman Hobbs is to help finance bridges that pose an obstruction to navigation. If the bridge does not pose an obstruction to navigation but is falling down, then the responsibility for replacement remains with the owner of the bridge, and it would be funded through the highway fund, I think, and they would be the ones to look at it.

We do have a prioritized system for determining which bridges we will look at, given that they are an obstruction to navigation—an unacceptable menace to navigation. Those were recently revised at the request of this committee.

Mr. LAUGHLIN. Well, I thought there would be the condition in a situation and I will tell you that the construction of the bridge as I have seen it over the last 30 years one would have to stretch his or her imagination to say as it stands it is not an obstacle to navigation. However, if it falls in the Gulf intracoastal waterway system, then it will become an obstacle and I think you have told me the answer we need. But if you will have your staff review it and give me their evaluation. I am pursuing it with the state.

Admiral KIME. Yes, sir, as I say we do have provisions to determine just how much of an obstacle something is and we will get back to you.

Mr. LAUGHLIN. Thank you very much, Admiral, and thank you, Mr. Chairman.

[The following was submitted:]

#### TRUMAN-HOBBS ACT PROVISIONS

The Truman-Hobbs Act is administered to ensure that the size of the bridge openings will provide sufficient horizontal and vertical clearances for the types of vessels that transit beneath it. The structural integrity of bridges does not fall under the authority of the Truman-Hobbs Act. The Act, therefore, only applies if the navigational clearances of the bridge are unreasonably restrictive to navigation and if the navigation benefits that will accrue as a result of the bridge alteration are at least equal to the cost of the project.

The Intracoastal Canal Pontoon Bridge at Surfside, Freeport, Texas, mile 397.6 of the Intracoastal Waterway is a pontoon swing bridge operating with a winch and cable arrangement. The bridge provides a horizontal clearance of 130 feet, a vertical clearance of 0 feet in the closed position. No complaints have ever been received from mariners concerning the navigational clearances of the bridge. Maintenance of the bridge is the sole responsibility of the Texas Department of Transportation, the owner of the bridge.

Mr. TAUZIN. Thank you, Mr. Laughlin. I want to get it straight. Two and a half Great Lakes in the Gulf? How many *Mackinaw's* could you put in Texas? Thank you, Greg. The chair is going to have to relinquish the chair to another member. Ms. Lambert will take the chair with my apologies, Admiral. I have another occasion I must attend.

Before I do I wanted to thank you again, particularly for your very extensive replies to some very tough and intricate questions today. I am a great admirer of your command and the office you have assembled. You know that. We remain committed to work with you through this budget process to see that the Coast Guard is adequately funded as we have always done in the past. And Admiral, thank you and the men and women of the Coast Guard for the great job you do for America. Just one comment before I go.

I want to recognize today that we have a Coast Guard fellow working with us, Lieutenant Matt Szigety, and I want to recognize him today. Thank you for allowing us his services this year. And, I also wanted to check with you on a personal note. How is Commander Underwood doing?

Admiral KIME. He is doing fine, sir, and very, very well. I think it is safe to say as commanding officer of that ship down in the Caribbean, he is not missing any of us in Washington very much at all.

Mr. TAUZIN. Well, let him know we miss him very much.

Admiral KIME. I certainly will. And let me thank you for your support, Mr. Chairman, you and members of the committee, and for the privilege of appearing before you today. We appreciate it very much. As far as Mr. Szigety is concerned, you are probably saying good things about him because he hasn't beaten you in tennis as bad as he beats me.

Mr. TAUZIN. I don't let him. Ms. Lambert, in that chair.

Ms. LAMBERT [PRESIDING]. The gentleman from New Jersey.

Mr. PALLONE. Thank you very much. I see Greg is leaving I was going to ask him how many times New Jersey fits into Texas. He

probably could give me the answer. But Admiral, I wanted to—I noticed in—I missed unfortunately your opening as well as that of the chairman, but I noticed that he talked—in his written statement he makes mention of how in the last year the Coast Guard's been very busy with a number of hurricane storms, et cetera. He didn't mention the ones we had in New Jersey, but it was equally devastating, particularly, in my area and up and down the coast of New Jersey. Mainly, the December northeaster but even also in March when we had another really serious storm. Probably, the one in December was the worst that anyone remembers in the last maybe 50 to 100 years.

I mention that for two reasons and I was going to ask with the permission of the chair if we could get a couple of reports. One is that at the Sandy Hook Station we have amphibious vehicle, "The Lark," which in the past you have—Coast Guard has cooperated in making sure it was repaired and it could be used in the event of a storm. And I know it was used extensively in both of those storms. I mean, I saw it personally being—you know, taking people in and out for evacuation, but if it is possible to just—you know, get back to me with a—you know, a page or two about—you know, how it was used and how many people were rescued and that type of thing during those two storms. I would appreciate it.

The other thing is that—and again, I probably should have more information on this before I ask you this, but maybe we can get back to you. But at least, I will bring it up. The Shark River Station also in my district had a lot of damage to its docks and other facilities during the storm and I know that they have or they are in the process of repairing that. And some of the homeowners in the area had asked me about—you know, when the repairs were taking place or what kind of repairs are going to take place. If I could just get a little report back on those repairs, I would appreciate that as well.

Admiral KIME. We will get both of those pieces of information to you, Mr. Pallone just as quickly as possible.

[The following was submitted:]

#### SHARK RIVER STATION

Coast Guard Station Sandy Hook's amphibious vehicle (LARC) was used to evacuate approximately 275 persons from flooded homes in Highlands and Sea Bright, New Jersey, during the December 1992 storm. In addition, the LARC responded to a house fire in Highlands, NJ, with a local firefighter on board. Persons from houses adjacent to the fire were evacuated due to the high winds and danger of the fire spreading. During the March 1993 storm, the LARC was prepositioned to Highlands, NJ. However, it was not used in any flood relief operations or search and rescue cases.

The winter storms of December 1992 and March 1993 did little damage to Station Shark River. Only very minor damage was done to the pier itself. Various repairs in progress prior to the storms include: roof replacement, replacing rotted portions of the timber bulkhead, repairing the water main, and replacing underground fuel tanks. The storm did reveal inadequacies in the roof repair, which have since been corrected by the contractor. Some portions of the timber bulkhead at Station Shark River are nine feet above mean low water (MLW), lower than the rest of the Station's bulkhead, and that of adjacent properties, which are at 12 feet above MLW. These lower sections were first to allow flooding during the winter storms. A project to increase the height of those bulkhead sections is currently under review.

Mr. PALLONE. Well, thank you. The other thing that I wanted to ask is I notice in the budget there is mention of a request of 4.4

million to upgrade existing VTA systems in New York and other ports. I don't know if you have already mentioned it, but if you haven't what—what would be the nature of the repairs that would take place in the Port of New York and how far will that go toward completing the VTS expansion that we had talked about previously.

Admiral KIME. It will totally complete the VTS expansion we are talking about, Mr. Pallone. It has two parts to it. One is the Vessel Traffic Center itself on Governors Island, to update that, and we are doing that through a contract with the U.S. Navy down at Patuxent River, and we hope to be able to complete that on schedule. That is going to be in the third quarter of fiscal year 1993 and we hope to complete the total expansion by the fourth quarter of fiscal year 1994. That is increasing the surveillance so we cover both the "Kills". We have already put the radar in Sandy Hook. We will go up through Hell's Gate; it is the entire New York harbor that we eventually want to cover. The reason that that is going to take a little bit longer is we have to acquire sites to install radars and then remote them back to the Vessel Traffic Center. But, as of right now, that is on schedule and that project, I believe, is fully funded.

Mr. PALLONE. OK. Well, that is great. Now that—and when you said complete the expansion to the Kills that is that whole area around Staten Island that—

Admiral KIME. The Arthur Kill and the Kill Van Kull, yes, sir.

Mr. PALLONE. Thank you very much. Thank you, Madam Chairwoman.

Ms. LAMBERT. Admiral, since I did not get my chance to ask a few questions I do have a couple that I would like to present. Going through this year's budget request that you presented I have always been very impressed with the diversity of the Coast Guard's responsibilities. It is also apparent that each of the line items that you have has relevance in each of the Coast Guard districts. I was wondering if you have any figures that are available as to how much of your request will be used for Coast Guard functions on our nation's inland waterways. Is there a breakdown like that?

Admiral KIME. I can get that for you, Ms. Lambert, and let me just give you the numbers I have got here right now. That in the Second Coast Guard district which encompasses all of the major river systems including Arkansas. We are spending about 9.6 million dollars in 1993. That does not include the cost of our people, and that does not include our AC&I, our major acquisition projects. So, it would be significantly in excess of that, but we will provide you with just what the figure is for 1993.

[The following was submitted:]

#### AC&I OBLIGATIONS FUNDED

In FY93, AC&I obligations funded \$1.1M for river buoys and \$750,000 for Pre-Staged Marine Environmental Protection Equipment. The river buoy funding was spread throughout the entire Second District, while the marine environmental protection equipment was all located in St. Louis, MO.

Ms. LAMBERT. I would appreciate that. Thank you. There was one other question. I certainly believe that our nation's retired military personnel deserve to have the best pension and health benefit

available. Given the recent problems that private industry has had meeting their pension obligations as well as the unbelievable increase in health care costs that we see continually rising, I was concerned about the possibilities of not being able to meet the necessary obligations.

Could you explain the 29.1 million increase in your request over the 1993 funding recommendation for the Coast Guard pension and retirees' health fund. Is this amount actually going to be sufficient in providing the increase in the needs of the program? It is a considerable amount obviously. The increase alone is more than the total amount devoted toward environmental and I was just wondering is that an accurate amount? Is it going to be able to accommodate increases?

Admiral KIME. Yes, ma'am, it will. This is a number that we can compute very accurately and the amount in the President's budget is exactly what we computed and requested through the Department of Transportation, and OMB. And let me say that I do appreciate your concerns there.

Ms. LAMBERT. We have been working on health care awfully hard and it is unbelievable in the scope of things.

Admiral KIME. Well, we also have an additional request, I think, for health care, over and above the cost of living allowance. I think it is \$6.9 million in the budget this year because the health care cost is increasing much faster than the normal rate of inflation, and the committee has been very supportive of that in the past and we would hope we could continue to count on your support.

Ms. LAMBERT. Well, hopefully, we will see some other additional changes in the areas of health care and health care delivery so we can begin to look at the overall picture of health care costs in this nation and ways to maintain it under some—certainly some levels.

My last question was of the 45 million requested to continue the seagoing buoy tender replacement program, are there any efforts under way to direct such attention to inland waterway buoy activities or is there any specific line item programs or what have you directed toward the inland waterway buoy tender program?

Admiral KIME. Yes, we have different classes of buoy tenders and let me just review those. The \$45 million is for the ocean going buoy tender (WLB) which goes offshore, to work the heavy buoys, in the rougher waters. The WLM is a coastal buoy tender—some of them operate in the rivers and the bays. And then we have smaller buoy boats that do work in the rivers and in the harbors. Then we also have construction tenders that operate on the inland rivers. We do have plans for the replacement of at least one of these and the continued maintenance of the ones we currently have. And I would like to provide you some detail of just exactly what we have and are spending on the inland buoy tender fleet.

Ms. LAMBERT. I would appreciate that. So in other words, it is not within the numbers that you have given here then.

Admiral KIME. No, that vessel would either be too large or overkill for the work in some of the rivers, and that is why we have broken it down into different categories. We have some very special needs in some of our rivers and we have both special construction tenders and barges, and we spent a great deal of money in the 1980's replacing and upgrading these and we have some plans for

later in the 1990's to replace at least one. And we can provide you with that information.

Ms. LAMBERT. OK. So but currently in this projected 1994 budget then there is no outlay for those programs, inland—

Admiral KIME. Except for the operating expenses.

Ms. LAMBERT. And that incurred within the numbers that are already there in the buoy tender programs that you have listed?

Admiral KIME. Yes, ma'am.

[The following was submitted:]

#### BUOY TENDERS

The Coast Guard presently operates 26 Seagoing Buoy Tenders (WLB), 11 Coastal Buoy Tenders (WLM), 16 Inland Construction Tenders (WLIC), 6 Inland Buoy Tenders (WLI), 18 River Tenders (WLR) and 28 Buoy Boats (BUSL).

The BUSLs are the only "inland" buoy tenders included in the FY 1994 budget request. In FY 1993, the Coast Guard awarded a contract for construction of two prototype BUSLs for extensive testing prior to procurement of up to 32 production vessels. The FY 1994 request of \$1.5 million is for test and evaluation of these prototype vessels, and project administration costs until the production contract is awarded in FY 1995.

Funding for the remaining inland buoy tender fleets are limited to personnel, operating and maintenance funds that are included in the Coast Guard Operating Expenses (OE) base.

The Coast Guard is presently in the early stages of evaluating requirements for replacement of Construction Tenders. It would be premature to provide a schedule or additional information regarding procurement of these vessels at this time.

Ms. LAMBERT. OK. Thank you very much. No other questions for this panel. We would like to take the opportunity to recognize Master Chief Petty Officer R. Jay Lloyd who, I believe, we asked to accompany you all to answer any questions regarding enlisted men. He is from the U.S. Coast Guard and is now recognized if there are any questions.

Admiral KIME. Perhaps, Madam Chairman, Master Chief Petty Officer Lloyd might wish to make a statement if that would be agreeable to the committee also.

Ms. LAMBERT. If he chooses to. Mr. Lloyd.

#### STATEMENT OF MASTER CHIEF PETTY OFFICER R. JAY LLOYD

Master Chief Petty Officer LLOYD. Madam Chairman, how are you this morning?

Ms. LAMBERT. Fine, thank you. I am new at this.

Master Chief Petty Officer LLOYD. I am not an old hand at this either, ma'am. I would like to thank the committee again for the chance to represent the enlisted members, men and women of the United States Coast Guard and Coast Guard Reserve. Last year I spoke to this committee about how for years we had helped people all over the world and our country, but all too often we have forgotten about taking care of ourselves.

I spoke last year of turning a corner with our work life program and I am proud to say this year that we have turned that corner and we are heading in an area that I am really proud of and it is of great importance to all the folks in the Coast Guard.

Our people feel very comfortable with the work Admiral Kime has done in his areas of Balance, People, and Excellence. His direction and leadership in some pretty tough times have been nothing short of fantastic. The entire leadership of the Coast Guard is on

course to help us. The leadership is doing a tremendous job. Since I saw this committee last year, I have been on a number of trips. I have gone to the Antarctic and visited our folks on our icebreaker down there. I participated in the victory parade for Desert Shield and Desert Storm when our people came home. I visited our people on the west coast, the east coast, the Gulf, all over the interior. After Hurricane Andrew we did a trip—I did a trip with the Admiral to Louisiana and Florida. After the storms in the northeast I visited New York and New Jersey and I came home from the Antarctic this year in torrential rains in Southern California. I spent a night at the air station there as our helicopters were flying flood rescue missions in California and in Northern Mexico.

We have some real concerns—some of the concerns our people have this year are real. Some of the base closures, compensations on pay and allowances, our new proposed policy change on high-year tenure, are some of the areas that our people are thinking a lot about this year.

One of the things our people still need is a CONUS COLA, which was brought up last year. The Seventh Quadrennial Review of Military Compensation talked about it. We still need that. Our retirees are calling us about proposed cuts in the cost of living allowances for the next few years. There is also concern from our enlisted folks and our officers in this issue.

I feel that we all understand the need for a sound fiscal plan for this country, and it is what our country wants and needs. I guess I have to ask that where the lower—the folks on the lower end of the pay scale—the lower end of that spectrum that we have to look after those folks with special thoughts because they are growing up in the Coast Guard and they need some consideration there.

We are getting more and more geographical bachelors and there continues to be a problem. We must continue to be aware of them, the situations that they are in, and the negative impacts it will have on the service. I feel the geographical bachelor situation will continue to be a real issue in the years to come.

The Commandant covered our policy on the needs for leased housing. We have come a long way in the last three years. When I was in this job 3 years ago, the number 1 problem with our people was housing—the availability of housing. We don't have that need any more. In all but sporadic cases, our problems with housing for our folks has gone away. We are refining it now, by looking for different types of leases, but our housing availability is really pretty good. We now have adequate housing available for our troops.

Base closures are a concern for all of our folks. Our people and their family worry about DOD base closures. I submitted last year what the closure of Pease Air Force Base had done and the impact it had on people in the northeast. We worry about medical facilities, commissaries, exchanges, housing, and I am getting calls from retirees on the number of base closures and how it will affect them.

One of the areas I will mention is at Homestead, Florida, which was virtually taken off the map. One of the things that has occurred to us is that our yeomen, our administrative people, have a bigger workload now because the ID card section at Homestead was wiped out. There are a lot of retirees in Southern Florida. Our people are now giving ID cards out and it is a small thing to do,

but it is a big workload on our folks. We worry about the loss of benefits as more and more of those base closures occur.

CHAMPUS and medical. Medical and CHAMPUS, however we want to say it. Our folks in the Coast Guard are used to using CHAMPUS. We use it because 45—48 percent of our people aren't anywhere near a military treatment facility where we can get the benefits of the fine services the Army/Navy/Air Force/Marine Corps give. So we have learned to use CHAMPUS. The U.S. Army Hospitals have sent a letter out from their hospitals noting the cut-back in prescriptions available for folks. And they have also put in their letter for their people to get CHAMPUS supplements. That is unheard of for a DOD hospital or military treatment facility to say. We have been pushing that for years for our people. It is just a sign of the times that as the DOD cuts back we are going to have greater problems, too.

Last year I submitted a recommendation saying that we penalize our people for making E5 from E4. I will resubmit, on a late submission that request again this year. I guess our troops, our sailors, and their families are wondering what happened to their medical benefits, as Mrs. Clinton does her health care study and her group progresses in their train of thought and all.

Our people are doing their mission well. They always have. This year we are sad to tell you we had two people killed in the line of duty. Lieutenant Commander Bill Turek, doing an inspection on a ship in the Norfolk area; and BM1 Johnny Tarr doing Aids to Navigational work down south of Jacksonville on the Coast Guard Cutter *Smilac*.

Our folks, our youth, all our sister services have been involved heavily in operations—Somalia, and everywhere around the world. We too have been busy. You earlier talked a lot about Haiti. Waiting for the migrants, saving migrants, and sadly sometimes performing tasks such as the Coast Guard Cutter *Padre* did and four other of our cutters picking up bodies from the Haitian ferry boat that sunk down there. We had a lot of young men and women grow up in a short time frame there. And it happens continually in our service.

I asked last year for the continued support—your continued support for our Commandant, and I have to say thank you for that. I ask again, and I am sure that he does have the support of this committee. That our people of the Coast Guard continue to give their all in taking care of our country's people, its interests and its resources. And I would be happy to answer any questions you might have, ma'am.

Ms. LAMBERT. Thank you very much, Master Chief Petty Officer Jay Lloyd for bringing to the committee—subcommittee the interest and the concerns and certainly the job well done of the enlisted members. We appreciate your taking the time to spend with us today. I would also like to again thank Admiral Kime and Captain Collins and Captain Casto for your involvement in the first panel. That concludes the first panel's involvement in today's hearing and I guess we will move to panel number two. Thank you very much, gentlemen, for your time today and your continued support. It is Commander William E. Legg, U.S. Navy Reserve Retired, and Sergeant Major Michael Ouellette, U.S. Army Retired. Just for the

length of our hearing today I know we have carried on. I am here and you have a devoted person to definitely speak with today. We would encourage you to keep your remarks brief if you can summarize. Your submitted testimony will certainly be recorded full in the record.

**STATEMENT OF COMMANDER WILLIAM E. LEGG, USNR, RETIRED,  
DEPUTY DIRECTOR FOR LEGISLATIVE AFFAIRS, RESERVE OFFICERS  
ASSOCIATION OF THE UNITED STATES; SERGEANT  
MAJOR MICHAEL OUELLETTE, USA, RETIRED, DIRECTOR,  
NAVAL AFFAIRS, NON COMMISSIONED OFFICERS ASSOCIATION  
OF THE UNITED STATES**

**STATEMENT OF COMMANDER WILLIAM E. LEGG**

Commander LEGG. Thank you. Madam Chairman, it is my pleasure to be here today to represent the views of the Reserve Officers Association for the Coast Guard budget for 1994.

I must say that much of what I have in my prepared statement has already been discussed, so I am going to be very brief. I am going to tell you that the ROA has consistently supported the Coast Guard as being a force that gives an outstanding value for the dollar spent on it. So, we would again encourage full support for the Coast Guard's budget as one of the best buys in our nation today.

However, we have very serious concern over the program to reduce the Coast Guard Reserve by the dramatic number of 2500 in a single year. I listened very carefully to the questions asked by the members and the responses by the Commandant, and I would like to reemphasize the point that a decision has been made to reach a number in one year that yet has not been validated.

Regardless of Admiral Kime's statement that this is a firm number, he goes on to say that the study is yet to be completed. We know that the bottom-up study that is going on in Defense is to determine what their missions and roles are for the services. That effort very much impinges on the way the Coast Guard would react. So, it seems relatively obvious that the 8,000 figure, as was specifically told to me, was a best guess—best estimate of what the figure should be.

It should not be considered a firm number at this point in time. It is not rational to take such a steep decline in strength in one year to reach this new number. Most services, when they are planning a draw down now, are talking about doing it over a period of 4 to 5 years. The plans within the Pentagon, for example, are to reach the Base Force, as they call it, or the Aspin Option C, or whatever the option is going to be, by 1997 or 1998. This plan is a budget driven plan that saves about \$10 million dollars in 1994 by going to that number right away.

We are also concerned, as was brought out, about the lack of transition benefits program for Coast Guard Reservists. You may be aware that DOD passed such a plan last year for the other armed forces. Congress enacted it rather at our insistence. As a matter of the fact the ROA was the one who raised the point with the Senate and finally got the bill adopted.

But at that point in time there was no dramatic cut in the Coast Guard Reserve envisioned, so they were not included in the plan. As Admiral Kime noted today, they are now scurrying to try to see if they can get those kinds of benefits for their people and that program may cost as much as \$2.5 million by itself.

If that \$2.5 million available for reprogramming, why not take that money and other moneys and use them to keep the strength at a level where it should be instead of taking this dramatic cut. So, in summary, what we have recommended is that the Coast Guard be authorized at a 10,000 Selected Reserve—excuse me, authorize it at 10,000 level for fiscal year 1994. Take a small cut as most services are doing.

Let the dust settle and see what the answer is, but don't rush to judgment as to what the final number is until we have a final number in front of us. We know it is going to cost money. We know that both the authorization and the appropriations are beyond the jurisdiction of this committee.

However, the members of this committee have been some of the strongest supporters for the Coast Guard Reserve for good and valid reasons, primarily, because they have been interested. They have understood the role of the Coast Guard Reserve and they have been able to influence the appropriate committees. In this case, the Armed Services Committee to authorize and the Transportation Subcommittee to fund.

The good news is we do not have the split funding problem in the Reserve Training appropriation this year. I guess it is the bad news as well because we can't look for DOD to provide some support in this area. We have to look for it within transportation.

I would like to work with the committee in any way possible to help this happen and try to find a rationale solution to this problem. Thank you.

[Statement of Mr. Legg may be found at end of hearing.]

Ms. LAMBERT. We certainly appreciate it and certainly appreciate your patience with us today. Major Ouellette.

#### STATEMENT OF SERGEANT MAJOR MICHAEL OUELLETTE

Sergeant Major OUELLETTE. Good morning, Madam Chair. On behalf of the Non Commissioned Officers Association of the United States of America I wish to thank the chairman and the members of the subcommittee for allowing the association an opportunity to express the views of its membership on the fiscal year 1994 U.S. Coast Guard budget request.

NCOA has submitted a formal statement that addresses the concerns of the association with regard to those personnel support and quality of life issues that are critical to the needs of the Coast Guard.

In the interest of time I will briefly address a number of key issues and concerns, but would ask that my prepared statement be made a part of today's hearing record.

Madam Chair, if you review today's witness list you will note that NCOA is the only enlisted military association that traditionally testifies on behalf of the United States Coast Guard personnel. It is in this context that I ask the subcommittee to give every con-

sideration to the recommendations I am about to make today as they most assuredly will not be repeated by any other organization.

NCOA believes it need not convince the subcommittee that the men and women of the Coast Guard perform some of the most arduous duties in the Armed Forces. They continue to face daily life and death situations that Americans simply take for granted.

While the other services are in the process of downsizing and the attention of the administration and many members of Congress shift from defense matters and the well being of service members and their families the Coast Guard is expected to meet every expectation. It is of the utmost importance that personnel support and quality of life programs be improved if the Coast Guard can be expected to meet their many diverse mission requirements.

Yet in fiscal year 1994 the men and women of the Coast Guard are faced with even more challenges that come in the forms of tax increases, pay in allowance freezes, COLA reductions, inversion of retired pay, reduce survivor benefits, and increased rent lease costs that are being sold as sacrifices in support of budget reductions.

U.S. Coast Guard personnel would be among the first to sacrifice to the national cause but not to the extent of assuming what appears to be the sole responsibility in support of the reduction of the national debt. The association has expressed concern over a number of cost cutting measures that currently face active and retired Coast Guard members.

Even in the face of the loss of some very important benefits there are still a number of quality of life considerations such as 100 percent CHAMPUS coverage and CONUS COLA that remain key to the needs of Coast Guard personnel.

Madam Chair, in summary, the members of this subcommittee are cautioned that although patriotism could very well be the key to retention, the inability to provide for the health and welfare of one's family will very rapidly diminish enthusiasm for military service.

Members and former members of the Coast Guard must be protected against pay freezes, COLA reductions and other loss of benefits or it will become obvious they simply will not be able to financially continue to serve their country.

Madam Chair, NCOA implores this subcommittee to take the steps necessary to insure the integrity of the Coast Guard as maintained and that the force will be present and fully able to meet their mission requirements as counted upon by the American people. Thank you very much.

Ms. LAMBERT. Thank you. The Chair does have actually a couple of questions if I may. Commander Legg, is the Coast Guard Reserve—do you feel like being reduced—when you spoke earlier differently than the other armed services reserve forces in your opinion?

Commander LEGG. Yes. I think that one thing you have to understand is the history of the build up through the 1980's. The reserve components under DOD did grow to meet an expanded threat. They did not grow all the way to 100 percent of requirements, but above 90 percent.

The Coast Guard Reserve never got above 50 percent of its requirements. It was in a situation where we would finally get au-

thorization, as we did the last few years for over 15,000, but then funds were never available because there was always a fight within Function 400 for funding and the Coast Guard and the Coast Guard Reserve often became a source of those funds. So we have sort of bubbled along, if you will, at around 12,000 and now it has been trickling down to the point where it is at only 10,500 this year.

The DOD has been looking at another requirement. They commissioned a RAND study to look at the force mix alternatives and to make increased use of Reservists. The Coast Guard did not participate in that effort at all. So the down side that is going on now is something is being done internally.

**Ms. LAMBERT.** But do you feel like the reductions are different—are being handled differently.

**Commander LEGG.** Yes, because there is nothing, if you will, objective about it. I don't even know if it is complete. Yet it is hard to criticize because I don't know, and neither does Admiral Kime apparently, what the final answer is going to be.

It seems apparent that there is no innovative use of the Reserve in the Coast Guard. There is no way the Coast Guard is looking at taking advantage of the part-time aspect of its people.

And the Coast Guard Reserve, more than any other component, assists the active force in peacetime to a degree that far exceeds any of the other reserve components. So here is a failure to use one of the great efficiencies we have in our country today, the increase in productivity through increased use of part-time people. We now have a trained force in the Coast Guard Reserve that is available, willing, and anxious to serve—

**Ms. LAMBERT.** In other words, you are saying the reduction is not different, but the use.

**Commander LEGG.** Well, I would say reduction—the degree of reduction, a 24 percent cut in one year, certainly is—no other component is faced with that. The scope and the determination requirements are also different because of being done internally by the Coast Guard itself. No one is looking over their shoulder to make sure it is right, and I would include DOT as not being completely objective in this instance.

**Ms. LAMBERT.** Well, in those reductions is—or have you heard or is there any plans for DOD to compensate reserve members that are cut perhaps if it happens just a few years before their retirement?

**Commander LEGG.** Yes, as a matter of fact there is a plan—

**Ms. LAMBERT.** Early retirement?

**Commander LEGG.** There is a reserve transition benefits package that is being promulgated. It has been promulgated recently by DOD. Congress enacted it last year, but it is only for DOD. And, as Admiral Kime mentioned, if they are able to convince the Congress to expand that program to include the Coast Guard Reserve, he anticipates it will cost about \$2.5 million don't know where that money is going to come from.

**Ms. LAMBERT.** OK. Thank you. Sergeant Major, has the work life initiatives—have those been successful in improving the quality of life for enlisted members?

**Sergeant Major OUELLETTE.** I think—yes, Ms. Lambert, I think that was attested to this morning. And as far as what the associa-

tion knows the efforts that they tried to do to improve the life of the Coast Guard people have been successful. But there are things that we brought up today in terms of—you know, pay in allowances and CONUS COLAS and those kinds of things that the government concern that can, in fact, make their life better.

The work life program of the Coast Guard are just almost taking—they are taking full advantage of those things that they can actually reach out and touch. And the other things are up to really this committee and the Congress and the Department of Transportation to try and make life better for the people.

[Statement of Mr. Ouellette may be found at end of hearing.]

Ms. LAMBERT. Thank you, gentlemen, for your patience and I understand it is my realms to give the opportunity to the counsel for any questions if she may have any.

The Chair seeing no further questions we thank the gentlemen for their patience and for their time and I believe that means the subcommittee is adjourned.

Commander LEGG. Thank you very much.

Sergeant Major OUELLETTE. Thank you very much.

[Whereupon, the subcommittee was adjourned, and the following was submitted for the record:]

US Department  
of Transportation  
**United States  
Coast Guard**



Commandant  
United States Coast Guard

Washington, DC 20593  
Staff Symbol  
Phone

**DEPARTMENT OF TRANSPORTATION**

**U. S. COAST GUARD**

**STATEMENT OF**

**ADMIRAL J. WILLIAM KIME**

**ON THE FISCAL YEAR 1994 BUDGET REQUEST**

**BEFORE THE**

**SUBCOMMITTEE ON COAST GUARD AND NAVIGATION**

**COMMITTEE ON MERCHANT MARINE AND FISHERIES**

**HOUSE OF REPRESENTATIVES**

**APRIL 22, 1993**



## Admiral J. William Kime Commandant United States Coast Guard



Admiral J. William Kime became the 19th Commandant of the Coast Guard on 31 May, 1990. He was nominated to that position while serving as Commander of the Eleventh Coast Guard District in Long Beach, California.

During that time he also served as the commander of the Central California Sector of the U.S. Maritime Defense Zone, Pacific; and as Coordinator of the Pacific Region of the Office of National Drug Control Policy.

Admiral Kime graduated from Baltimore City College in 1951 and from the U.S. Coast Guard Academy in 1957. He received a Master of Science degree in naval architecture and marine engineering and the professional degree of Naval Engineer from the Massachusetts Institute of Technology in 1964.

Admiral Kime served in deck and engineering assignments in the CGC Casco before assuming command of Loran Station Wake Island in 1960. He served at Coast Guard Headquarters in Washington, D.C. in the Merchant Marine Technical and Engineering Divisions. While at Headquarters, he served as the principal U.S. negotiator at the International Maritime Organization (IMO) in London during the drafting of the IMO codes for Liquified Gas Ships. Admiral Kime was in charge of the structural design of the Coast Guard's Polar class icebreakers. He also served as the first engineering officer in the CGC BOUTWELL stationed in Boston.



In 1977, Admiral Kime was a distinguished graduate of the Industrial College of the Armed Forces and was again assigned to Headquarters as Assistant Chief of the Merchant Marine Technical Division, and as both technical coordinator and as a member of the U.S. Delegation to the International Conference on Tanker Safety and Pollution Prevention in London. He assumed duty as Commanding Officer, Marine Safety Office Baltimore in 1978. He was assigned to Headquarters in 1981 as Deputy Chief of the Office of Marine Environment and Systems.

From 1982 through 1984 Admiral Kime was assigned as Chief of the Operations Division of the Seventh Coast Guard District in Miami, where he was in charge of day to day operations in the Coast Guard's drug interdiction effort in the Caribbean. He was promoted to flag rank in 1984. In 1986 Admiral Kime became Chief of the Office of Marine Safety, Security and Environmental Protection in Washington, D.C., a combination of two offices he had previously headed. His duties in this position included heading the U.S. Delegations to the IMO Marine Safety Committee and Marine Environmental Protection Committee.

Admiral Kime is a registered Professional Engineer, a member of Tau Beta Pi, Sigma Xi and ASNE. In October of 1992 Admiral Kime was elected to a two year term as president of the Society of Naval Architects and Marine Engineers (SNAME). He is the first Coast Guard officer to serve in this distinguished post. Admiral Kime is also a SNAME Fellow and is the 1990 recipient of the SNAME Vice Admiral "Jerry" Land Medal. His decorations include the Transportation Distinguished Service Medal, the Coast Guard Distinguished Service Medal, Defense Superior Service Medal, the Legion of Merit, five Meritorious Service Medals with "O" device, the Coast Guard Commendation Medal, the Coast Guard Achievement Medal, the Humanitarian Service Medal, three Commandant's Letter of Commendation Ribbons with "O" device, two Coast Guard Unit Commendation Ribbons with "O" device and the Coast Guard Meritorious Unit Commendation Ribbon.

Admiral Kime, a native of Greensboro, N.C., grew up in Baltimore, Md., and is married to the former Valerie Jean Hiddlestone of Pontardulais, South Wales, U.K.

DEPARTMENT OF TRANSPORTATION  
U. S. COAST GUARD  
STATEMENT OF  
ADMIRAL J. WILLIAM KIME  
ON THE FISCAL YEAR 1994 BUDGET REQUEST  
BEFORE THE  
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION  
COMMITTEE ON MERCHANT MARINE AND FISHERIES  
HOUSE OF REPRESENTATIVES  
APRIL 22, 1993

Good morning, Mr. Chairman. It is a pleasure to appear before this distinguished Subcommittee today to discuss the Coast Guard's fiscal year 1994 budget request and its impact on the current and future state of the Service.

We have seen dramatic and historic changes in both the international and domestic landscape in recent years. The breakup of the former Soviet Union, the emergence of a uniting Europe, and initiatives like the North American Free Trade Agreement are all changing the face of the globe as we know it. At the same time, we are moving to a more global-based economy. There is a new security environment, marked by growing regional instability, and national security threats that are not as well defined as in the past. Although less defined, these threats remain very real, as demonstrated by the recent terrorist bombing at the World Trade Center in New York City. Amidst all this uncertainty, the United States must be positioned to respond in a timely and flexible way.

Domestically, the President has proposed significant changes to address the needs of the Nation, which are outlined in the document, "A Vision of Change for America." This plan provides a renewed focus on economic revitalization, environmental protection, and infrastructure improvements. President Clinton has also made a strong commitment to address the growing national deficit, control the growth of Government spending, and most importantly, preserve the American dream for our children and grandchildren.

I am here today to explain how the Coast Guard fits into this picture and how our fiscal year 1994 budget request promotes these broad areas of national interest.

First, let me explain that, amidst these defining foreign and domestic changes, the Coast Guard remains focused on its enduring missions. The roles of our Service, more than ever, are linked to America's national priorities, as well as the goal of the Secretary of Transportation -- to provide the finest and safest transportation system in the world.

As we have done for over 200 years, we remain *Semper Paratus* to answer the call of new challenges and respond to national requirements wherever our services are needed. While we are small in size as an organization, we are long on value to the Nation, especially because of our flexibility and strong multimission capability. The Coast Guard is the world's leading maritime humanitarian and safety organization, with a hard-earned reputation for efficiency and professionalism. And we plan to remain the leader.

As the Nation's primary maritime operating agency, the Coast Guard has an important role in four fundamental areas: Marine Environmental Protection (MEP), Maritime Law Enforcement (MLE), National Security, and Maritime Safety. To effectively carry out these roles, we must operate and maintain shore facilities, vessels, and aircraft which must be highly responsive to the needs of our Nation.

All Coast Guard missions -- whether directed toward rescuing distressed mariners, enforcing fisheries regulations, combatting oil spills, keeping channels safe for shipping, interdicting drug smugglers, breaking open ice-bound rivers, or conducting port security operations -- contribute directly to the Nation's economic, social, environmental, and military security.

We have a vital role in supporting the national maritime transportation infrastructure, by ensuring the safe and efficient use of ports and waterways -- where

trade must move safely in and out of ports; and supplies must be safely loaded for deployed military forces. Our activities in maintaining Aids to Navigation (ATON), providing Vessel Traffic Services (VTS), conducting vessel inspections, and licensing merchant mariners all promote a safe and efficient maritime transportation system. Given the increasingly interdependent nature of the global economy, we must ensure this system flourishes and continues to preserve American interests.

I have already mentioned our four primary operating missions and would now like to briefly highlight some of our recent accomplishments in these areas and discuss where I see us going in fiscal year 1994.

MARINE ENVIRONMENTAL PROTECTION will continue to be a highly visible mission because of national concerns over all forms of pollution, especially the type of environmental damage that can be caused by a tanker oil spill like that from the recent grounding of the *Motor Vessel Aegean Sea* off the coast of Spain. Building on the momentum of the Oil Pollution Act of 1990 (OPA-90), we are taking significant strides to improve America's ability to prevent and respond to marine pollution incidents. We are focusing on increased prevention and response capabilities; greater enforcement efforts; and completion of spill response contingency plans at all levels.

Some initiatives which highlight our progress in this area include: continued distribution of pollution response equipment to 19 prepositioned sites; review and approval of vessel and facility response plans; establishing regional strike teams which are actively responding to pollution incidents; forming the National Pollution Funds Center to pay claims associated with oil spill cleanup and to make funds available to states up front for pollution response; national and international efforts to establish double hull design standards; significant progress on 47 rulemakings required by OPA-90; more aggressive enforcement of MARPOL V regulations; spill response

training exercises; and striving to work better with both industry and the environmental community.

The priority we place on improving our capability to both prevent and respond to marine pollution incidents is reflected throughout the fiscal year 1994 budget request, which, although effectively constrained to current services levels, includes modest new operating resources to support additional pollution response training and augmentation of the National Pollution Response Center. The budget request also includes Acquisition, Construction and Improvements (AC&I) funding for two seagoing buoytenders which will have a built-in spilled oil recovery capability. In addition, environmental protection-related projects represent a significant portion of the total project funds in our Research, Development, Test and Evaluation (RDT&E) appropriation request.

MARITIME LAW ENFORCEMENT has been an integral part of our service since 1790 and will remain an important mission in the future. Law enforcement touches nearly all program areas of the Coast Guard and requires a dynamic balance among fisheries enforcement, alien migration interdiction, antidrug operations, and other general maritime law enforcement activities. Our fiscal year 1994 request will allow us to continue our current level of effort in this important area as we focus on achieving the balance necessary to respond to national priorities.

Fisheries enforcement is a growing priority in the marine environment because of increased public concern throughout the Nation -- as well as internationally -- over the preservation of major fishery stocks. Our fishery resources represent a significant national asset, especially when you consider that the U.S. fishing industry contributes over \$24 billion per year to the economy. They also provide an important quality of life enhancement to 17 million Americans through recreational fishing. These resources will continue to require protection from foreign encroachment; however, with a

domestic harvesting ability of three times the available yield, these resources are clearly in danger of being overfished by American fishermen alone. This has a direct impact on the economy, because when stocks are overfished and depleted, American jobs are lost. To ensure the success of fishery management plans and the sustained viability of our fishing industry, fishery managers require strong enforcement support from the Coast Guard.

I have continued to redirect operational tasking to meet growing fisheries enforcement requirements within the MLE mission area to enhance our fisheries enforcement efforts -- a critical step toward increasing compliance with fishery management plans. The fiscal year 1994 budget request addresses the substantial challenge of fisheries law enforcement and protecting fishery resources by providing new staff and training for four Regional Fisheries Training Teams. This is one of the very few areas of our budget where we are requesting new resources to improve our operational capability.

Moving to another law enforcement arena, I am extremely proud of the dedicated performance of our crews in the difficult mission continuing to take place off the shores of Haiti. The fact that over 42,000 migrants have been safely intercepted, in all types of weather, during night and day, is indeed a tribute to our men and women assigned to perform that mission. Conditions within Haiti, Cuba, and also in other parts of the world, such as the People's Republic of China, have the potential to foster future mass migrations. The alien migration interdiction mission will continue to require substantial Coast Guard enforcement efforts in response to these regional instabilities.

Drug abuse continues to be a serious national problem of great concern to us all. In recent years, the national strategy has increased the focus on *demand* reduction and sought greater efficiencies on the supply-side reduction efforts; Coast Guard resources devoted to drug interdiction have been reduced accordingly. Despite better intelligence and the application of improved technology, we still encounter a very determined cocaine smuggling community.

Over the past year, even while the Coast Guard has been heavily engaged in Haitian migration interdiction operations, we have also continued our vigorous support of drug enforcement as the lead Federal agency for maritime drug interdiction. We are maintaining our law enforcement efforts to deter the maritime transport of illegal drugs, and work closely with the Department of Defense, as well as a coalition of other Federal agencies, to intercept and prosecute narcotics smugglers.

As an example, in November 1992, our units led a joint Navy, Customs Service, and Canadian mission which involved tracking a narco-aircraft from South America, intercepting it off the East Coast, and ultimately supporting the seizure by the Canadians -- the cargo was 3700 kilos of cocaine with a street value in excess of \$100 million.

In support of our MLE efforts, our fiscal year 1994 AC&I request will fund various capital investment projects for renewal of multimission facilities, such as the Midlife Maintenance Availability (MMA) of our 210-foot cutters, and procurement of three replacement HH-60J helicopters for Operation Bahamas and Turks & Caicos (OPBAT) antidrug operations.

To emphasize our role in the NATIONAL SECURITY strategy as one of the Nation's five Armed Forces, I recently published, "*The United States Coast Guard -- A Distinct Instrument of National Security*." In there, I point out that unlike the other military services, the Coast Guard's national security mission does not concentrate exclusively on the national defense role. Drawing from all our other missions, the Coast Guard provides a unique capability to enhance and defend our national security, that is not duplicated by the other armed services.

The Coast Guard has been involved in every major American conflict since 1790. Our contribution during Operation Desert Storm, our continuing involvement in the Persian Gulf with our Law Enforcement Detachments (LEDETs) enforcing the embargo

against Iraq, our presence off the coast of Haiti, establishing and patrolling special harbor security zones when risk assessments dictate, and our LEDETs helping enforce the embargo against the former Republic of Yugoslavia, all underscore the unique and versatile contribution of the Coast Guard.

The Coast Guard is helping to shape the emerging security environment through nation-building and strengthening of alliances with developing countries. Our international leadership in this area is clearly reflected through security assistance training; passenger vessel security initiatives; deployment of marine safety assistance teams, and international law enforcement training teams. Additionally, we play a central role in the International Maritime Organization (IMO), where we seek to build global solidarity in the advancement of environmental prevention and response efforts, as well as vessel and port safety regulations.

General Powell, Chairman of the Joint Chiefs of Staff, recently reaffirmed our National Security role, "I'm more certain than ever that the Coast Guard belongs in the national command authority's tool box of military capabilities. I also agree absolutely that the Coast Guard's national security functions will evolve with the emerging requirements of the post-Cold War era...."

As the Nation's primary maritime operating agency, we are actively saving lives and property at sea on a daily basis. Our MARITIME SAFETY mission has helped form our rich humanitarian tradition, and yield a reputation as *the* world's expert in Search and Rescue (SAR). Through our efforts in Aids to Navigation (ATON), Commercial Vessel Safety, Icebreaking, VTSs, Recreational Boating Safety, and deployment of a Differential Global Positioning System, we seek to prevent accidents and promote safe maritime transportation.

In fiscal year 1992, we carried out over 69,000 search and rescue cases which resulted in 5,450 lives being saved; further assistance to 122,750 individuals; and the

saving of over \$706 million in property. We quickly answered the call in the wake of hurricanes Andrew and Iniki, performing 142 SAR cases, responding to over 80 oil pollution reports, and repairing hundreds of aids to navigation.

Maritime Safety initiatives are an integral part of our fiscal year 1994 capital budget request, which includes such projects as: development of a modern Vessel Traffic System (VTS) for eventual deployment in our highest risk ports throughout the Nation; upgrades/expansions of existing VTSs at New York and Puget Sound; further deployment of the Differential Global Positioning System; and replacement of our aging seagoing buoy tenders (WLBs).

Mr. Chairman, I would now like to give you an overview of our fiscal year 1994 budget request. This request is consistent with the Administration's overall policy goals, as well as the ensuing Executive Orders which call for administrative efficiencies and civil service personnel reductions. The total request of \$3.73 billion across all appropriations is virtually the same level of funding that was requested for fiscal year 1993. If fully funded, this request would allow us to continue providing the most important services that the public expects of us, and permit a few vital enhancements in selected areas.

The request in the Operating Expenses (OE) appropriation essentially reflects a current services operating level with very minimal funding for discretionary initiatives. Over \$48 million of the \$52 million requested increase in this account will be consumed by fiscal year 1993 annualizations and the cost of living allowance. The improvements requested in the marine environmental protection, marine safety, living marine resources, and work-life areas are necessary and modest. Outyear budget projections forebode the need for even greater efficiency measures if current service levels are to be maintained. I look forward to your future support as we reshape our OE appropriation in support of Presidential budget control initiatives.

The Acquisition, Construction, and Improvements (AC&I) appropriation is our source of capital investment funds. This year's request of \$414 million matches the amount requested last year and allows us to move ahead in some critical areas; however, knowing the capital replacement and improvement requirements that await us in years to come, your sustained support for the necessary AC&I funding levels to meet these requirements is absolutely essential.

Now, turning to our fiscal year 1994 request for the Coast Guard Reserve -- an essential element in our ability to respond to national contingencies. As promised last year, I have reassessed our mobilization requirements which have been derived from the updated Department of Defense contingency planning scenario. That review produced a Coast Guard mobilization requirement which supports a Selected Reserve force sized at 8,000. The Reserve has distinguished itself through many noteworthy contributions in recent years, including supporting the Persian Gulf war in-theater and stateside; and providing emergency assistance during man-made and natural disasters such as the Exxon Valdez oil spill and hurricanes Andrew and Iniki.

While the justification for the new size of this force is based on the Coast Guard's defense-related mobilization requirement, I am confident that this down-sized Reserve force will still be capable of adequately responding to both military and nonmilitary contingencies, like those highlighted above. The Reserve Training (RT) request of \$64 million will support a full training program for 8,000 Selected Reservists.

Mr. Chairman, there is one more budget issue that I feel I must highlight. In recent years, various levels of funding for the Coast Guard were provided from Department of Defense (DOD) sources, primarily as the result of congressional initiatives. That has become problematic because of the ongoing DOD drawdown as well as potential ambiguity in congressional oversight. It is our desire to receive all our appropriations

through budget function 400. With the funding walls down, we now see an opportunity for full funding within the Transportation allocation.

As outlined in previous testimony, the Coast Guard is proceeding on the course charted in my Vision Statement and Strategic Agenda. Our organizational watchwords remain... PEOPLE, BALANCE, and EXCELLENCE. We have made significant progress in PEOPLE programs; in achieving resource and mission BALANCE; and in delivering the highest level of quality and EXCELLENCE in services to the public. After three years at the helm of the Coast Guard, I feel that the ship is on course and has made excellent progress in all three basic areas.

One of my highest priorities has been to restore a proper emphasis on the needs of our PEOPLE -- because people are the source of our organizational strength and effectiveness. We ask a great deal of our personnel -- and, as you have seen in the past year, they deliver. Whether cleaning up oil spills, maintaining buoys, intercepting illegal aliens, hoisting the crew off a sinking freighter, breaking ice, providing emergency response to a hurricane, apprehending smugglers, or enforcing fisheries regulations -- our crews work hard and go in harm's way to give the American public an honest return on every tax dollar... and they do it in a manner that makes me very proud. In return, we must ensure that we fulfill our responsibility to meet their basic needs.

I remain a strong advocate for improving the quality of our personnel support programs because we are only as good as our people. We have made excellent strides in this area, but continued progress is needed. One of the very few enhancements in this year's OE budget request is the Work-Life program, which is the vanguard of our efforts to systematically improve personnel support in the Coast Guard. Our request for \$3.1 million allows continued implementation of Work-Life initiatives in the areas of: relocation and housing assistance; dependent care; health care and wellness; family

assistance; life skills and crisis counseling; employee assistance; and education and training. This program represents a strategic investment in our "human capital" that will pay off by ensuring the maintenance of a highly dedicated, talented, and productive workforce in the future.

We must also continue our efforts to build a balanced workforce which reflects the rich diversity of our great Nation. This means recruiting and retaining the highest qualified candidates from a shrinking and very competitive job pool. We have seen encouraging trends in first-term reenlistment rates, increasing from 55 to 60 percent (over the past year); we need to continue personnel and recruiting initiatives to ensure the Coast Guard remains competitive for top talent in the 90s; we must also ensure that the incentives are in place so members of our diverse workforce find career service an attractive option.

I believe our retention rates are at an all-time high in large part because of our demonstrated concern for our people and efforts to enhance quality of life. Continued improvements in compensation, housing, medical care, and the working environment will allow us to attract and retain the most qualified personnel... and keep our retention rates high.

Regardless of the changes in demographic or economic conditions, investments in our people-related programs will yield future dividends by building a quality workforce which is best prepared to meet the burgeoning challenges facing our service.

Since 1990, I have sought to achieve the proper strategic BALANCE among our major roles -- and I have already discussed initiatives that help us move in that direction as an organization. The proper balance of emphasis and resources among our mission areas remains a central theme in my Strategic Agenda, and is the key to preserving and enhancing our highly efficient multimission character -- the hallmark of Coast Guard efficiency and responsiveness.

The Coast Guard has a well-deserved reputation for EXCELLENCE; however, we are still continuously striving to function more efficiently and effectively. We continue to successfully apply the leadership and management principles of Total Quality Management (TQM) in a growing effort to maximize the efficiency and effectiveness of our resources.

We do not consider TQM a magic formula which was purchased off the shelf to solve a short-term problem -- it is a way of doing our daily business which we have made part of our business culture. TQM is firmly established in the Coast Guard and has become the process we use to determine how to deliver the right services to the public at the right time, and in the right way.

In summary, my watchwords for directing the Coast Guard remain PEOPLE, BALANCE, and EXCELLENCE -- these themes will continue to serve us well as we face the major challenges ahead. We will maintain our performance and readiness through continued emphasis on PEOPLE -- our most important resource; a BALANCE among our various missions; and an unwavering commitment to EXCELLENCE.

Mr. Chairman, the President's fiscal year 1994 budget for the Coast Guard reflects a constrained request with no *real* growth beyond the level of current services. I need your full support of this request. It represents the first of what I expect to be several austere budget years which will require very careful management of base resources. As we have seen this year, our ability to address emerging national priorities in the future will only be possible through substantial consolidations or other actions which create efficiencies from within existing resources. I believe this budget request is responsive to the challenges we face in meeting the Nation's maritime transportation needs, while at the same time responsive to the fiscal challenges we face as a Nation.

In closing, I would like to thank the Subcommittee for their support over the last several years. I appreciate the continued opportunity to work with returning members, and look forward to meeting new members. We have worked hard to improve our communications with, and responsiveness to, the Committee members and staff, and I think we have made significant progress in that area. I can assure you that this important effort will continue in the year ahead.

Mr. Chairman, I will be happy to answer any questions you or the other members of the Subcommittee might have.

The following is a list of AC&I Shore Facility Construction projects completed and planned for the Gulf Coast region from FY90 thru FY95:

Major AC&I Projects:

<u>Fiscal Year</u>	<u>Project Description</u>	<u>Budget (\$)</u>
1990	SEUS Air Interdict Fac Ph I (Clearwtr)	\$ 5,100,000
	Key West Housing (160 Units)	\$12,500,000
	Sta Freeport Texas	\$ 3,800,000 (1)
1991	Key West Vessel Support Bldg	\$ 1,200,000 (2)
	ATC Mobile HH-60J Simulator Facility	\$ 1,200,000
1992	SEUS Air Interdict Fac Ph II (Clearwtr)	\$ 3,000,000
	MSO Houston Reserve Bldg	\$ 2,600,000 (3)
	MSO Tampa Replacement	\$ 1,200,000
1993	Key West Vessel Support Bldg	\$ 1,900,000
	Commsta New Orleans Transmitter Bldg	\$ 4,900,000

Minor AC&I Projects:

<u>Fiscal Year</u>	<u>Project Description</u>	<u>Budget (\$K)</u>
1990	Sta Marathon Shop Bldg Replacement	\$ 370,000
	ATC Mobile Composite Repair Fac	\$ 620,000
1992	Sta Pascagoula Pier Replacement	\$ 430,000
	Dry Tortugas Light Pier Replacement	\$ 490,000
1993	Rebuild Sand Key Light	\$ 800,000
	Grp Corpus Christi WPB Supt Fac	\$ 677,000

- NOTES: (1) Funded by Corps of Engineers  
 (2) Project rescheduled for FY93 due to contamination problems.  
 (3) Project deferred pending review of scope.

In addition to specific Shore Construction projects, the Gulf Coast region benefits from newly acquired vessels and aircraft assigned to Gulf port areas and air stations as well as new and improved vessel traffic systems and pre-staged pollution response equipment.

CONGRESSMAN STUDDS QUESTIONS  
WITH COAST GUARD ANSWERS: Q01  
HOUSE AUTHORIZATION HEARING, 22 APR 93

QUESTION. ADMIRAL KIME, AS YOU MAY KNOW, THERE IS A RECURRING PROBLEM ALL ALONG THE COASTS OF OUR COUNTRY REGARDING OUR NATION'S HISTORIC LIGHTHOUSES. IN MY DISTRICT ALONE, THERE ARE CURRENTLY 3 LIGHTHOUSES IN IMMINENT DANGER OF FALLING, LITERALLY, INTO THE SEA (HIGHLAND, SANKATY, NAUSET).

-- ARE ANY FUNDS BEING REQUESTED IN YOUR FY94 BUDGET FOR LIGHTHOUSE PRESERVATION?

-- IS THE COAST GUARD DEVELOPING A LONG-TERM SOLUTION TO THIS NATIONAL PROBLEM?

Answer. We plan on spending approximately \$4 Million of Operating Expense (OE) funds Coast Guard-wide in FY94 for lighthouse maintenance and repair. We are not requesting AC&I funds for any lighthouse projects in our FY94 budget request.

We have not developed a long-term solution to this national problem, but we are presently implementing the recommendations of the Coast Guard Lighthouse Policy Review Study submitted to Congress in 1992. The study recommendations include streamlining the Coast Guard leasing and licensing processes and reviewing lighthouse transfer policy. Our goal is to enable those organizations who are interested and able to maintain lighthouses to acquire them expeditiously.

We also plan to begin gathering data about lighthouses throughout the nation which are most in need of maintenance or repair in order to concentrate our efforts on the neediest lighthouses first.

CONGRESSMAN STUDDS QUESTIONS  
WITH COAST GUARD ANSWERS: 002  
HOUSE AUTHORIZATION HEARING, 22 APR 93

QUESTION. I AM PLEASED THAT YOU ARE EXPANDING THE VERY INNOVATIVE FISHERIES LAW ENFORCEMENT TRAINING PROGRAM THAT WAS INITIATED IN THE FIRST COAST GUARD DISTRICT, AND LOCATED ON CAPE COD. AS YOU KNOW, THE PROGRAM PROVIDES FOR GEOGRAPHICALLY TARGETED FISHERIES LAW ENFORCEMENT TRAINING. WHERE WILL THESE TRAINING CENTERS BE LOCATED? HOW MUCH MONEY IS ALLOCATED FOR THIS EXPANSION IN FY94? WHEN WILL THE NEW CENTERS BE UP AND RUNNING?

Answer. The Coast Guard's fiscal year 1994 budget request provides funding and personnel to establish four regional fisheries law enforcement training teams. Our goal in establishing these teams is to replicate those attributes which make the Operations Training Team at Cape Cod successful. These attributes are: using preexisting facilities to avoid new acquisition or rental costs and start-up delays; a location central to prospective trainees; and availability of personnel from the National Marine Fisheries Service, NOAA General Council, state natural resource enforcement agencies, and the fishing industry as training resources.

With these criteria in mind, we have chosen Cape Cod, MA and Kodiak, AK as sites for the New England and Alaska region teams. We are still evaluating sites in the Southeast and West Coast regions.

Our fiscal year 1994 request for the four training teams contains \$500,000 in Operating and Maintenance funds in addition to the personnel request of 56 FTP/28 FTE. This would provide 14 FTP each to the Southeast, West Coast, and Alaska teams, seven FTP to augment the existing Operational Training Team at Cape Cod, plus seven general detail.

We plan to begin staffing the training teams and developing the course curriculum and training material in mid-fiscal year 1994. Training would begin in fiscal year 1994, with full-scale operations in fiscal year 1995.

CONGRESSMAN STUDDS QUESTIONS  
 WITH COAST GUARD ANSWERS: 003  
 HOUSE AUTHORIZATION HEARING, 22 APR 93

QUESTION. HOW MUCH FUNDING WILL BE REQUIRED IN THE NEXT 4 YEARS FOR THE VTS 2000 PROJECT? CAN YOU TELL ME WHICH PORTS WILL RECEIVE VTS 2000 SYSTEMS? WHEN WILL THESE PORTS RECEIVE SYSTEMS AND HOW MUCH IS GOING TO BE BUDGETED FOR EACH PORT?

Answer. Based on estimates provided in the Port Needs Study, the VTS 2000 project will require approximately \$126 million for FY94 through FY97. We are in the process of refining these estimates and have contracted with a federally funded research and development center to help the Coast Guard establish our requirements and estimate the future costs in more detail.

The ports which are being considered for installation of VTS 2000 systems are identified in the Port Needs Study as having positive or sensitive net benefits based on a cost/benefit analysis. This currently includes 17 ports, 15 of which are new requirements and 2 that were included as retrofits for commonality of training, maintenance, etc. Those ports are listed below and, except for the 2 retrofit ports, represent those ports which have shown a positive net benefit or sensitive net benefit as a result of the Port Needs Study. It should be noted that each port will be reevaluated prior to construction to ensure that the requirement remains valid and to determine the scope of the installation requirements. Ports are listed below in the order in which we project they will be started.

<u>PORT</u>	<u>PROJECT START</u>	<u>ESTIMATED COMPLETION</u>
LOS ANGELES/LONG BEACH, CA	FY 1993	FY 1996
NEW ORLEANS, LA	FY 1993	FY 1997
PORT ARTHUR, TX	FY 1993	3-5 YRS
MOBILE, AL	FY 1994	3-5 YRS
CORPUS CHRISTI, TX	FY 1994	3-5 YRS
HOUSTON/GALVESTON, TX	FY 1995	3-5 YRS
SEATTLE, WA (PUGET SOUND)	FY 1995	3-5 YRS
BOSTON, MA	FY 1996	3-5 YRS
TAMPA, FL	FY 1996	3-5 YRS
PORTLAND, OR	FY 1997	3-5 YRS
PHILADELPHIA, PA	FY 1997	3-5 YRS
BALTIMORE, MD	FY 1998	3-5 YRS
PROVIDENCE, RI	FY 1998	3-5 YRS
NEW YORK, NY	FY 1999	3-5 YRS
LONG ISLAND SOUND, NY	FY 1999	3-5 YRS
SAN FRANCISCO, CA	FY 1999	3-5 YRS
VALDEZ, AK	FY 1999	3-5 YRS

At this stage in the project, it is difficult to provide detailed costs for each port. The scope of requirements will vary greatly at each port depending on the number of remote sites with radars and closed circuit television cameras. This will have a direct impact on the total port costs. In addition, the design and development cost associated with providing a national system with standardized features in each port must eventually be allocated across all ports constructed in the system. At this point in the planning process, it is uncertain whether all ports on the above list will receive a VTS 2000 system.

CONGRESSMAN STUDDS QUESTIONS  
WITH COAST GUARD ANSWERS: 004  
HOUSE AUTHORIZATION HEARING, 22 APR 93

QUESTION. I'VE NOTICED THAT THE COAST GUARD IS REQUESTING \$1.3M FOR THE DESIGN AND CONSTRUCTION OF A NEW WAVE BARRIER IN PROVINCETOWN HARBOR. YOU MAY ALREADY KNOW THAT THE "OLD" BARRIER IS ACTUALLY QUITE YOUNG. IT WAS CONSTRUCTED SEVERAL YEARS AGO AT SUBSTANTIAL COST, BUT IT DOESN'T WORK. HOW CONFIDENT ARE YOU THAT THE \$1.3M FOR A "NEW" WAVE BARRIER WILL ONCE AND FOR ALL TAME MOTHER NATURE?

ANSWER. As part of the project design process for the new breakwater, the Coast Guard hired commercial research and design firms to conduct a Wave Climate Analysis, and a Wave Attenuator Systems study. These forms of analyses were not performed during the design of the existing wave barrier. Validation of our proposed wave barrier design by the above studies makes us confident that the new design will meet the station's needs.

CONGRESSMAN GILCHREST QUESTIONS  
WITH COAST GUARD ANSWERS: 001  
HOUSE AUTHORIZATION HEARING, 22 APR 93

QUESTION. REGARDING THE REQUEST UNDER ACQUISITION, CONSTRUCTION AND IMPROVEMENTS (AC&I) FOR A SHIPLIFT SYSTEM AT THE COAST GUARD YARD AT CURTIS BAY, HAVE YOU LOOKED INTO WHETHER THERE ARE DRY DOCKS AVAILABLE FOR FREE OR LOW COST THAT WOULD BE COST EFFECTIVE?

Answer. We examined the possibility of acquiring an existing dry dock instead of a shiplift system for the YARD. We found that there are no existing floating dry docks available from either the Department of Defense or commercial sources that would meet our need. The Coast Guard Yard needs a 3000 ton capacity dry dock or shiplift, but the Navy and commercially available floating dry docks were all 5000 ton capacity or greater. These larger drydocks are not cost effective and they are too large to clear the bridges getting into Curtis Bay.

Floating dry docks represent obsolete technology. Even if available, Navy or commercial floating dry docks are usually WWII vintage, the same age as the Yard's dry docks. The prospective lower initial cost of acquiring a used floating dry dock would be offset by higher life cycle costs. Upgrades and modifications would probably be required to bring used floating dry docks up to modern standards.

Maintenance costs would be higher for floating dry docks than for land based ship handling facilities. And perhaps most important in comparing the two systems, floating dry dock operations involve significantly higher environmental risks and associated costs for containment of water run off and cleanup/removal of hazardous waste.

CONGRESSMAN GILCHREST QUESTIONS  
WITH COAST GUARD ANSWERS: 002  
HOUSE AUTHORIZATION HEARING, 22 APR 93

QUESTION. CONSIDERING THE ADMINISTRATION'S INTENTIONS TO DOWNSIZE GOVERNMENT AND ENERGIZE THE ECONOMY IN THE PRIVATE SECTOR, WHY IS THE COAST GUARD PLANNING A \$22 MILLION AC&I PROJECT TO BUILD A SHIPLIFT AT THE COAST GUARD YARD? HAVE YOU COMPLETED A COST-BENEFIT ANALYSIS FOR THE PROJECT? I THOUGHT YOU WERE PLANNING ON CLOSING THE YARD -- WHAT CHANGED? WHAT ARE YOUR LONG TERM PLANS FOR THE YARD?

Answer. The shiplift is still necessary even in a downsized government environment because it improves YARD efficiency by replacing two fifty-year old, technically obsolete floating dry docks. A cost-benefit analysis indicated that the shiplift had lower life cycle costs than floating dry docks. The shiplift also has lower operating and maintenance costs, provides better protection of the environment, and allows work to be done in a safer more efficient manner.

In January 1988, we proposed phasing out operation of the Yard as one way to lower Coast Guard operating expenses. A GAO study that year concluded that our decision on this issue could not be adequately justified because we had underestimated the value of the following intangible benefits provided by the Yard:

- a. rapid response capability for emergency work,
- b. unique training opportunity for naval engineers,
- c. schedule flexibility to meet changing priorities without incurring contractual penalties, and
- d. the Coast Guard's only ordnance overhaul facility.

The FY 1989 DOT Appropriations conference report included language that established and FTE floor on civilian employment at the industrial activities at the Yard. Additionally, the 1989 Coast Guard Authorization Act recognized and endorsed the Secretary of Transportation's designation of the Yard as an essential logistics facility.

Existing long term plans for the Yard reflect continued operation at the same basic level of activity which is approximately 15% of the total Coast Guard industrial work requirements.

CONGRESSMAN BATEMAN QUESTIONS  
WITH COAST GUARD ANSWERS: 001  
HOUSE AUTHORIZATION HEARING, 22 APR 93

QUESTION. ADMIRAL, THIS BUDGET PROPOSES AN ADDITIONAL CUT IN THE COAST GUARD RESERVE FROM 10,500 TO 8,000 RESERVISTS. EVEN WITH THE DECREASE IN OUR WARTIME MOBILIZATION REQUIREMENTS, ISN'T THAT A SHARP DECLINE?

Answer. The decision to drawdown the Selected Reserve from 10,500 to 8,000 is based on both new mobilization requirements and budgetary priorities. The Coast Guard recently completed a preliminary assessment of our mobilization requirements which have been derived from the updated Department of Defense Contingency Planning scenario and the Coast Guard's non-defense contingency requirements. The results of the assessment are that a Selected Reserve of 10,150 would be needed to support all conceivable defense and non-defense contingencies, but that 8,000 are needed to support the most likely combination of contingency requirements. At the 8,000 level, all defense and defense-related mobilization requirements would be fulfilled, as well as requirements for special skills to support the Coast Guard's Marine Environmental Protection mission in the military outload ports that would be operating at an increased volume during military contingencies. The decision to seek funding support for 8,000 is based on accepting the reasonable risk that full mobilization for military contingencies and mobilization for non-defense natural and manmade disasters would not all happen concurrently.

CONGRESSMAN BATEMAN QUESTIONS  
WITH COAST GUARD ANSWERS: 002  
HOUSE AUTHORIZATION HEARING, 22 APR 93

QUESTION. HOW IS THE MISSION OF THE COAST GUARD RESERVE DIFFERENT FROM THE RESERVE MISSION OF THE OTHER SERVICES?

Answer. As defined in 10 USC 262, the purpose of each Reserve Component, including the Coast Guard Reserve, is to provide trained units and qualified persons available for active duty in the armed forces, in time of war or national emergency and at such other times as the national security requires. However, as also defined in 14 USC 712, the mission of the Coast Guard Reserve is broader than that of the other Reserve Components. The Coast Guard Reserve also can be mobilized to augment the active Coast Guard during a serious natural or manmade disaster, accident or catastrophe. The Coast Guard Reserve mission is to provide an organized, quick response, military force in ratings and skills required to supplement the active Coast Guard during surges in operations. Another primary difference between the Coast Guard Reserve and the other Reserve Components is that the Department of Defense assigns specific defense contingency missions to their reserve units, who then train and are mobilized as unit entities to perform that specific mission. With the exception of three deployable reserve Port Security Units (PSUs), the Coast Guard assigns defense and non-defense contingency missions to active Coast Guard units. Coast Guard reservists mobilize as individuals to expand the capability of active Coast Guard units. Coast Guard reserve units are administrative/training entities only and cease to exist when reservists are mobilized.

CONGRESSMAN BATEMAN QUESTIONS  
WITH COAST GUARD ANSWERS: 003  
HOUSE AUTHORIZATION HEARING, 22 APR 93

QUESTION. WHY ARE YOU PROPOSING CUTS IN THE COAST GUARD RESERVE COMPARABLE TO THE CUTS IN THE OTHER SERVICES, WHEN THE COAST GUARD RESERVE NEVER CAME CLOSE TO THE MOBILIZATION REQUIREMENT OF 27,500?

Answer. There is no direct relationship between the proposed cuts in the Coast Guard Reserve and the cuts planned in the other Reserve Components. The new Coast Guard Mobilization requirements are derived from updated Department of Defense planning criteria. The primary defense contingency mission of the Coast Guard is to protect strategic ports. [004061] The decrease in the number of strategic ports from 48 to 16 in the new criteria is the driving factor in reducing mobilization requirements and corresponding Selected Reserve levels.

CONGRESSMAN BATEMAN QUESTIONS  
WITH COAST GUARD ANSWERS: 004  
HOUSE AUTHORIZATION HEARING, 22 APR 93

QUESTION. WHEN WILL THIS COMMITTEE RECEIVE THE POLICY JUSTIFICATION FOR THE PROPOSED CUTS?

Answer. The policy justification for reducing the Coast Guard Selected Reserve from 10,500 to 8,000 in Fiscal Year 1994 is briefly described above. The preliminary assessment of mobilization requirements is being currently validated through the full Coast Guard planning process. This will be completed during the Summer of 1993. A full report describing the planning process, the planning criteria and the results are expected to be transmitted to Congress in September 1993.

Statement of  
Commander William E. Legg, USNR (Ret.)  
Director, Naval Affairs  
Reserve Officers Association of the United States  
for the  
Subcommittee on Coast Guard and Navigation  
House Committee on Merchant Marine and Fisheries  
on the United States Coast Guard Budget  
For Fiscal Year 1994  
22 April 1993

Statement of Commander William E. Legg, USNR (Ret.), Director, Naval Affairs of the Reserve Officers Association of the United States, for the Subcommittee on Coast Guard and Navigation, House Committee on Merchant Marine and Fisheries, concerning the FY94 Coast Guard Budget, 22 April 1993.

Mr. Chairman and Members of the Committee:

It is my pleasure to address this committee concerning the Fiscal Year 1994 budget request for the United States Coast Guard.

The Reserve Officers Association has consistently supported adequate resource allocations for the United States Coast Guard. Over the past several years it has required extraordinary actions by the Congress to provide the necessary authorization and funding for this unique armed force.

The multi-mission nature of the Coast Guard and the professionalism and flexibility of its personnel have been both a curse and a blessing. The ability of the Coast Guard to do so much with so little has encouraged some to continue to increase taskings without allocating all the needed resources.

#### COAST GUARD BUDGET REQUEST

The President's Budget Request includes a relatively modest \$3.812 billion for the Coast Guard. Although this level is about four percent more than the funding provided for Fiscal Year 1993,

all but slightly more than one percent of this growth is to accommodate the impact of inflation. However, even this moderate rate of "real" growth is more apparent than real because of the unusually low level of funding in the Acquisition, Construction, and Improvements (AC&I) appropriation in Fiscal Year 1993.

Therefore, once again the overall Coast Guard budget request reflects one of the "best buys" for the American taxpayer and deserves full and positive consideration by the Congress.

#### SELECTED RESERVE STRENGTH

However, there is at least one area where the budget request does not take advantage of the "best buy" philosophy--the Coast Guard Reserve. The President's Budget Request includes plans for a dramatic decline in the size of the Coast Guard Reserve. If approved, the Coast Guard Reserve would be reduced by almost 25 percent in one year to a new low of only 8,000 personnel at the end of Fiscal Year 1994.

As we noted last year when we objected to the cut to 10,850 proposed for Fiscal Year 1993, the Coast Guard Reserve had not been at a strength level less than 11,000 personnel since the early stages of the build up for the Viet Nam conflict. We are now facing a cut that would be of such magnitude that our records, which only go back to the 1950's, indicate that the Coast Guard Reserve has

not been as small as 8,000 personnel since the earliest days of its inception more than 50 years ago.

Over the past several years, the Coast Guard Reserve has consistently faced the problem of insufficient funds. The Congress provided authorization levels that would have permitted some growth. In fact, the Coast Guard Reserve has been authorized an end strength of 15,150 each year since Fiscal Year 1990, but the funded level has steadily declined from the "high" of 12,000 in Fiscal Year 1990 to what is now planned to be an interim low of 10,510 for Fiscal Year 1993.

The difficulty in securing the necessary funding over the past several years has had its roots in the inability of the Coast Guard to identify credible mobilization manpower requirements and then obtain Department of Transportation approval of a plan to grow the Reserve Force required by the Coast Guard to meet the majority of these documented requirements.

Another source of the problem of obtaining necessary funding is poor timing. The Administration's plan to increase the size of the Coast Guard Reserve to 95 percent of its mobilization requirements did not receive final approval until DoD was starting to plan reductions in its force structure, including the Reserve Components. As we stated last year, the Coast Guard Reserve "missed the 'ride up,' but [is] certainly being programmed to 'ride down.'"

The shifting of funding sources for the Reserve Training appropriation from the historical sole dependence on the Transportation Appropriations Bill to split jurisdiction between Defense (Function 50) and Transportation (Function 400) for Fiscal Years 1992 and 1993 also adversely affected attaining adequate funding for the Coast Guard Reserve. In fact, there was not unanimous agreement either between the two houses of Congress or the Administration on whether dual funding should be used and, if so, to what degree. The result was that although the authorized personnel strength exceeded 15,000 for both these years, the funding provided would only support 11,500 and 10,510, respectively.

The request for \$64 million in the Reserve Training (RT) appropriation for Fiscal Year 1994 is \$9 million less than the level appropriated for Fiscal Year 1993 and is approximately \$11.2 million less than is needed to maintain even 10,000 Selected Reservists.

The rationale for this dramatic reduction was given by Secretary Peña as, "This downsized force is based on the Coast Guard's review of its defense-related mobilization requirements."

It appears that the Coast Guard has forgotten that its Reserve

also has the demonstrated capability to assist in the performance of the Coast Guard's peacetime missions. The Coast Guard Reserve routinely provides significant support to the active force through augmentation training and such innovative programs as "Summer Stock" where Reservists assume the full responsibility for specific search and rescue operations on the Great Lakes that are not operated on a year-round basis. Coast Guard Reservists also provided meaningful support in response to the Exxon-Valdez incident, the San Francisco earthquake, and hurricane Andrew, to name but a few of the occasions when individual Reservists have volunteered and performed essential services. Naturally, a dramatically smaller Selected Reserve will result in a proportionally smaller pool of personnel available to meet future contingencies.

The failure to take advantage of the efficiencies available through expanded use of the Reserve Component is especially puzzling in light of the past performance of Coast Guard Reservists and the knowledge that the Coast Guard Reserve has unique capabilities in law enforcement and is subject to involuntary recall by the Secretary of Transportation to respond to domestic contingencies.

As this committee is aware, ROA has been at the forefront of those calling for updated statements of manpower requirements and the development of new force-mix alternatives for each of the armed

forces. The Coast Guard was not included in the independent analysis performed for DoD by the RAND corporation. Liaison with Coast Guard headquarters confirmed that the Commandant's staff is embarked on its own analysis of Coast Guard Reserve personnel requirements. But, as recently as two months ago, we were assured that there was no possibility that this task would be completed prior to this July. This fact is consistent with other information that categorizes the 8,000 figure as "preliminary" and a "best estimate." It certainly appears that the Coast Guard Reserve is programmed for an abrupt cut to a strength level that is still not based on firm requirements.

Even if these new "requirements" are subsequently validated, it is not logical to subject Coast Guard Reserve personnel to such a drastic reduction in force size in a single year, particularly in light of the fact that they are not covered by the Reserve Transition Benefits program enacted by Congress last year for DoD Reserve Components.

Indications are that the Coast Guard Reserve is already planning on reducing strength to approximately 10,000 by the end of this fiscal year by stopping new accessions. Next year, the involuntary transfer of personnel out of pay status and to the Individual Ready Reserve (IRR) will also be required to meet the projected 8,000 level.

We realize that neither the authorization nor funding of the Coast Guard Reserve is under the jurisdiction of this Committee. However, it is an acknowledged fact that members of this Committee are leaders among the relative few who understand the value of and aggressively support a strong Coast Guard Reserve. ROA again solicits your support to obtain adequate authorization and funding for the Coast Guard Reserve.

#### FULL TIME SUPPORT PERSONNEL

ROA is also concerned over the projected cut in what is already the lowest level of full-time active-duty military support personnel of any Reserve Component. The President's Budget Request would lower the number of such personnel from 570 to 482. This 15 percent reduction seems inappropriate for what is acknowledged to be, by far, the lowest ratio of Selected Reserve to active-duty support personnel in any Reserve Component.

ROA has objected to such reductions on the basis that it is a prime example of counterproductive fiscal action. Improving the ratio of support personnel to Selected Reservists will increase readiness and efficiency by enabling Reservists to spend time training for their mission or assisting the active force instead of performing the many administrative support functions that are required today. Therefore, ROA recommends that the level of Full Time Support (FTS) personnel not be reduced in Fiscal Year 1994.

**SUMMARY**

In summary, the Reserve Officers Association supports funding the Coast Guard at least at the level requested in the President's Budget submission, \$3.812 billion. In addition, ROA strongly recommends that the Coast Guard Reserve be authorized at least 10,000 Selected Reserve personnel and 570 full-time active-duty support personnel and that \$11.2 million be added to the Reserve Training appropriation to fund these increased personnel levels.



**Non Commissioned Officers Association of the United States of America**

225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

**STATEMENT OF**

**SERGEANT MAJOR MICHAEL F. OUELLETTE, USA, (RET.)**

**DEPUTY DIRECTOR FOR LEGISLATIVE AFFAIRS**

**BEFORE THE**

**SUBCOMMITTEE ON COAST GUARD AND NAVIGATION**

**COMMITTEE ON MERCHANT MARINE AND FISHERIES**

**U.S. HOUSE OF REPRESENTATIVES**

**FIRST SESSION, 103D CONGRESS**

**ON**

**U.S. COAST GUARD BUDGET, FY 1994**

**APRIL 22, 1993**

Mr. Chairman: I am retired U. S. Army Sergeant Major Michael F. Ouellette, Deputy Director of Legislative Affairs for the Non Commissioned Officers Association of the United States of America (NCOA). The Association is a congressionally-chartered organization with a membership in excess of 160,000 active duty and veteran noncommissioned and petty officers serving in every component of the five Armed Forces of the United States; Army, Marine Corps, Navy, Air Force, and Coast Guard. NCOA appreciates the opportunity to address this distinguished Subcommittee on behalf of the men and women of the United States Coast Guard.

As in past years, NCOA congratulates the uniformed members of the Coast Guard for their many contributions to the Persian Gulf victory and the successful accomplishment of their many mission responsibilities during 1992 and 1993. The Coast Guard continues to perform above all expectations in their every day battles involving Drug Interdiction, Search and Rescue, Marine Environmental Protection, Law and Treaty Enforcement, Ice Operations, Navigational Aids, Marine Safety, and Defense Readiness. It is obvious to NCOA that the Congress has recognized the all-important role of the Coast Guard through their past efforts to increase manpower and funding authorizations. It is hoped that these few words of recognition and support, coupled with this Association's historical advocacy for quality-of-life improvements, will serve as a salute to the U.S. Coast Guard's dedicated commitment to the American people and the Nation.

### **PERSONAL SALUTE**

NCOA continues to express its appreciation to Admiral J. William Kime, Commandant of the Coast Guard, and Master Chief Petty Officer of the Coast Guard Jay Lloyd for their outstanding efforts on behalf of Coast Guard personnel. The Commandant has continually identified PEOPLE as the first basic theme to his Strategic Agenda. In the same light, NCOA has consistently identified people programs as being of utmost importance to the continued high-level performance and morale of Coast Guard personnel. Even though the "vision" and budget of the new Administration and, of course, the recent actions of both the Senate and House Budget Committees to forsake active duty and military retirees in favor of budget deficit reduction initiatives, NCOA will continue to identify quality-of-life program improvements as being the key to the future effectiveness of the U.S. Coast Guard. It is also evident from the contents of the Fiscal Year 1994 Coast Guard Budget Request that the need to fund personnel programs is of critical importance to the success of future operations.

### **COMMANDANT'S REQUEST**

In his FY 1993 Budget Request, the Commandant asked Congress for support of two major personnel objectives: 1)-to assist in finding the people to meet recruiting and retention targets, and 2)-provide improvements in housing, health care, family services, and the full spectrum of personnel support measures. In his FY 1994 Budget Request, the Commandant has emphasized the need to provide for Cost-of-Living Adjustments (COLA), increased health care funding, work-life initiatives, quality-of-life construction projects, Reserve training, retired pay and survivor benefits compensation. The Commandant is sending a clear signal to Congress that his personnel and related support program funding requests are the key ingredients to the Coast Guard's ability to fulfill their difficult mission requirements and meet the necessary recruiting and retention objectives.

### **NCOA POSITION**

NCOA is in complete agreement with the Commandant's request. This Association has historically appeared before this distinguished Subcommittee to speak for the enlisted men and women of the U.S. Coast Guard; however, the opportunity to appear in opposition to the efforts of the Clinton Administration and the Senate and House Budget Committees holds unprecedented importance. NCOA has advocated improvements in people programs for years. Improvements in housing, medical care, family services, etc., have been identified as having a significant positive impact on recruiting and retention. With the increased number of Coast Guard personnel authorizations and the constant increase in mission requirements,

the need has never been greater. Yet in FY 1994 the men and women of the Coast Guard are faced with even more challenges that come in the forms of tax increases, pay and allowance freezes, COLA reductions, inversion of retired pay, reduced survivor benefits, base closure effect on USCG retirees and their families, possible loss of commissary benefits, and increased rent/lease costs that are being sold as "sacrifices" in support of budget deficit reduction. NCOA notes that U.S. Coast Guard personnel would be among the first to sacrifice to the national cause, but not to the extent of assuming what appears to be the sole responsibility in support of the reduction of the national debt.

NCOA fully understands that it need not convince the Subcommittee that the men and women of the Coast Guard perform some of the most arduous duties in the Armed Forces. They continually face daily life-or-death situations with heroism that the majority of Americans simply expect or take for granted. For whatever reason Coast Guard personnel choose to serve their Country in such a capacity, NCOA is quick to point-out that these men and women should expect nothing less than fair and equitable compensation for their efforts and confidence that the Congress will ensure that decisions will be made that are in their best interests and that their families will be protected in their absence. This is the basic responsibility of the Administration and the Congress. Failure to live-up to that responsibility by not limiting the amount of "sacrifice" being levied on military members will most certainly result in a degradation in retention and recruitment capabilities. Simply put, Coast Guard men and women will no longer be able to afford to serve their Country. The sacrifices will be too great.

### CONCERNS AND RECOMMENDATIONS

The following is a list of NCOA supported personnel and quality-of-life issues with a brief description of the Association's concern and a recommendation for the consideration of the Subcommittee. As the Subcommittee considers these recommendations we urge that you do so in the context that Coast Guard members will sacrifice just like all Americans. They will pay increased taxes and suffer reduced services just like every citizen. They should not be made to sacrifice most just because they serve in the armed forces.

*o Active Duty Pay and Allowance Freeze:* This action equates to sacrifice number two for Coast Guard members especially when their pay comparability is reportedly 11 to 12 percent below that of their civilian counterparts. The simultaneous freeze on allowances is still another sacrifice in that Coast Guard renters will not be compensated for higher rents or lease agreements passed on by landlords attempting to compensate for higher tax outlays. NCOA recommends that Coast Guard personnel be authorized some type of income upgrade during FY 1994, perhaps in the form a reduced pay increase/COLA.

*o COLA Reductions for Coast Guard Retirees:* The FY 1994 Budget Resolution contains a major change to the military retirement system. It imposes a permanent half-COLA in 1994 on all military retirees under age 62, with a \$400 cap without grandfathering all who are currently on active duty or already retired. The enlisted Coast Guard retiree community will be particularly hard hit by this highly discriminatory COLA provision in that the majority of the under age 62 retirees are enlisted personnel. For instance, should a Coast Guard Chief Petty Officer (E7) retire during 1993 at the age of 40 following 22 years of service, he or she will have forfeited \$115, 289.43 in retired pay by age 62. This calculation is made based on 100% COLA being equal to the assumed inflation rate of 4 percent. That is a sacrifice beyond every expectation. The situation compounds itself because it will degrade the retired pay base amount on which the amount of survivor benefits are paid under The Survivor Benefit Plan (SBP) and it inverts the relationship between active duty and retired pay. NCOA recommends that military retirees, regardless of age, receive full COLA or at a minimum, active duty personnel receive a COLA equal to the under age 62 retiree.

*o Possible Loss of the Commissary Subsidy:* Although no precise action has been taken to reduce or eliminate the Federal Government's commissary subsidy, there appears to be some indication that it is a possibility. Should it happen, Coast Guard members will realize the loss of the number two non-pay benefit enjoyed by servicemembers. Subsidy withdrawal

***Chartered by the United States Congress***

would result in commissary prices being forced upward to the point where no significant savings would be realized by the active or retired Coast Guard member. The non-availability of commissaries to Coast Guard members would be devastating to their quality-of-life and NCOA recommends this Subcommittee fight to preserve this benefit for the members of the U.S. Coast Guard. Loss of the benefit would be yet another sacrifice.

*o Effects of Base Closures on USCG Retirees:* Many Coast Guard retirees made a decision at the time of or subsequent to their retirement to settle in an area of a military installation where health care, exchange, and commissary facilities were available. The large number of recently announced base closures have left Coast Guard retirees and their families without any alternatives. Many of these retirees now report that they are unable to obtain supplemental insurance coverage due to pre-existing medical conditions. NCOA recommends that this Subcommittee support any effort of Congress to ensure that at a minimum a health care delivery alternative is in place at the time a military base is closed.

*o 100 Percent CHAMPUS Coverage:* Due to the fact that members of the Coast Guard are involuntarily assigned with their families to remote areas where military treatment facilities are not available, NCOA recommends that 100% CHAMPUS coverage be provided with no yearly deductible or cost-sharing requirement.

*o CONUS COLA:* NCOA recommends that CONUS COLA be provided to Coast Guard personnel to offset the increased cost of living expenses associated with being stationed in high-cost tourist areas such as Nantucket Island or Martha's Vineyard Island.

*o Retention on Active Duty of Enlisted Members within 2 Years of eligibility for Retirement:* Although the FY 1993 Defense Authorization Bill (PL 102-484) contained provisions that provided an 18-year "safety net" to enlisted personnel equal to the provisions in law pertaining to officer personnel, there is some confusion whether current law protects the enlisted Coast Guard member. NCOA recommends that this Subcommittee insure that the enlisted Coast Guard member is provided equal protection under law as are members of the other military services.

*o Waive Increased Deductibles During Year of Promotion to E-5:* Coast guard members with families pay reduced CHAMPUS deductibles of \$50 for an individual and \$100 for a family. E-5 and above pay \$150 and \$300 respectively. NCOA recommends that the higher deductible be waived during the fiscal year of promotion to E-5 since it is currently considered to be a penalty for promotion.

## CONCLUSION

Even though the Cold War is over and it has become obvious to this Association that the current Administration as well as some Members of Congress have lost the enthusiasm for the care and feeding of American Fighting men and women, the U. S. Coast Guard has become a necessary part of the American way of life. The Coast Guard is critical to life safety and law enforcement in this Country. It is therefore imperative that the quality of the force be maintained through effective recruiting and retention programs. In these times of tax increases, pay and allowance freezes and other loss of benefits, Coast Guard members may simply not be financially able to serve their Country. The loss of benefits being experienced by the retiree community could very well signal the need to look elsewhere to provide for one's future. The members of this subcommittee are cautioned that patriotism is the key to retention; however, the inability to provide for the health and welfare of one's family will very rapidly diminish the enthusiasm for military service. Members of the U. S. Coast Guard must be protected.

Thank You

Comments by:  
George J. Ryan, President  
Lake Carriers' Association

**SUBCOMMITTEE ON COAST GUARD AND NAVIGATION  
HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES**

\* \* \*

**U.S. COAST GUARD AUTHORIZATION HEARING  
APRIL 22, 1993**

The owners of U.S.-flag ships on the Great Lakes with the full support of the iron ore industry of Minnesota and Michigan and the steel industry in Illinois, Indiana, Michigan, Ohio, and Pennsylvania urgently request that you reject the U.S. Coast Guard plan to decommission and scrap the most valuable ice-breaking asset in the Great Lakes -- the U.S. Coast Guard Cutter MACKINAW.

As you will note in Attachment A, the MACKINAW was essential in our efforts to move over 2.6 million tons of cargo to the nation's steel mills, electric utilities, and other major employers. The MACKINAW opened and maintained the most vital shipping lane in the Great Lakes -- the St. Marys River and, thus, assisted 144 ship transits in the past month. This job could not be carried out by the U.S. Coast Guard without the MACKINAW. The remaining ice-breaking assets, five 140' tugs while capable vessels, cannot carry out the ice-breaking mission on the Great Lakes.

The retention of the MACKINAW is a jobs issue. Its operation affects the commerce of the United States because it positively impacts the industrial support infrastructure. The U.S. Coast Guard plans to scrap this vessel and offers no plan to carry out the essential Great Lakes ice-breaking mission. In Attachment B we outline our position on why the MACKINAW is needed. The MACKINAW has performed very well in recent years to assist commerce and to protect the environment. The MACKINAW must be retained in operation.

We ask Congress to authorize and appropriate fund for the operation of the icebreaker MACKINAW in FY94 and in future years. To do otherwise would be to the detriment of Great Lakes shipping, America's steel industry, and iron ore mining industry.

04/19/93  
Attachment A  
Attachment B

*Lake Carriers' Association***POSITION PAPER****IMPORTANCE OF THE USCG CUTTER MACKINAW  
IN BREAKOUT OF THE FLEET  
SPRING 1993**

Between March 21 and April 8, 1993, the MACKINAW opened and then maintained the shipping lanes so vessels could transit the Soo Locks 144 times and move 2,625,416 tons of cargo to the nation's steel mills, electric utilities, and major employers. During this period, the MACKINAW provided 66 hours of direct assistance to 13 vessels and 210 hours to facilitate transits of the other vessels -- 13 of which were in convoy operations. Prior to April 1, 42 vessel transits were made through the Soo Locks and vessels carried just a tad less than 800,000 tons of iron ore.

The U.S. Coast Guard Cutter MACKINAW spent 4 days during the week of March 15, 1993, establishing tracks in the lower St. Marys River prior to operation of the Soo Locks on March 21. This advanced planning and operation paid excellent dividends as the first vessels to transit the St. Marys had minimal difficulties negotiating the turns in the channel. Ice thickness was up to 24 inches in the lower River at Lime Island. While ice of this thickness may not preclude progress by the Coast Guard 140-foot-long icebreaking tugs, it's a virtual certainty that they could not escort 700'-1000' commercial vessels in these conditions.

Late on the afternoon of March 19, the MACKINAW locked through the Soo Locks upbound to break the necessary track through roughly 40 miles to Whitefish Point in Lake Superior. Ice thickness here also approached 24 inches, with some more significant thicknesses where rafting had occurred. As a result of this thorough track preparation, the first downbound vessel, carrying almost 58,000 net tons of iron ore pellets, was able to make a near routine transit downbound on its voyage to Gary, Indiana.

The track in Lake Superior stayed intact for a little over a week before gale force winds again required MACKINAW's attention in assisting ice-beset vessels, but in the interim, a vessel bound for Marquette, Michigan, became beset over 30 miles from its destination, and MACKINAW was utilized to free the ship so it could continue its transit to Marquette. This assist enabled the freighter to load and deliver 24,000 tons of iron ore for Wheeling-Pittsburgh Steel in Wheeling, West Virginia.

From April 1 to April 8, MACKINAW was engaged in track maintenance in the St. Marys River, both above and below the Locks, until its presence was required in Lower Lake Huron where strong northerly gales had compacted roughly 60 miles of ice into the southernmost 25-30 miles, and vessels were again becoming beset. Through the MACKINAW's capabilities in hundreds of square miles of ice which had compressed and "windrowed," vessel movement to Michigan, Ohio and West Virginia steel plants were again restored.

*Lake Carriers' Association*

**POSITION PAPER**

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IN BREAKOUT OF THE FLEET  
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**IMPORTANCE OF THE USCG CUTTER MACKINAW  
IN BREAKOUT OF THE FLEET  
SPRING 1993**

The MACKINAW and other Coast Guard vessels are of particular importance in opening lanes and providing direct assistance to tank vessels delivering oil and other liquid products to Michigan and Ontario cities during the winter. While the Locks are closed, double-hulled tankers still deliver petroleum products to local communities. Between January 15 and March 21 when the Locks were closed, 140' icebreakers assisted in three tanker transits of the St. Marys River. Prior to April 3, when no further ice-breaking assistance was need in the Mackinac Straits, the MACKINAW assisted 11 vessels -- including 7 tank vessels.

By mid-April ice flowing down the St. Clair River, which connects Lake Huron and Lakes Erie, had jammed in the lower St. Clair, making ferry operations between the mainland at Algonac and Harsens Island, Michigan, come to a standstill. The MACKINAW was sent to see if assistance could be rendered. There was little the icebreaker could do because there was nowhere for the ice to move because it was grounded and jammed by the shallow 6-foot water of northern Lake St. Clair. The passage of the MACKINAW did help break up the ice and keep some of it flowing down the main navigation channel.

The prime alternate U.S. icebreaking resources are the Coast Guard icebreaking tugs of which there are five stationed on the Great Lakes. While the MACKINAW was deployed in the St. Marys River and Whitefish Bay, vessels which had wintered in Lake Erie left Pennsylvania and Ohio ports on their first journeys north for loads of raw materials. The Coast Guard icebreaking tugs were heavily relied on to move this traffic, but they began suffering engineering casualties which rendered one tug totally inoperative for further icebreaking after March 25. Another was out of service first with a generator problem then later with a thrust bearing casualty for 8 days out of 10. Consequently, during the most critical period of trying to move vessels in ice at the start of the season, the Coast Guard had 40 percent of its icebreaking tugs inoperative. If it had not been for the MACKINAW, the Coast Guard would not have been able to accomplish its icebreaking mission.

*Lake Carriers' Association*  
**POSITION PAPER**

**CONTINUED OPERATION OF  
USCG CUTTER MACKINAW  
ON THE GREAT LAKES**

APRIL 1993

**CONTINUED OPERATION OF USCG CUTTER MACKINAW ON THE GREAT LAKES****EXECUTIVE SUMMARY**

The U.S. Coast Guard icebreaking cutter MACKINAW is so essential to the economic vitality of the United States that it must not be decommissioned. The fixed navigation season of March 21 - January 15 through the locks at Sault Ste. Marie, Michigan, will be imperiled if the MACKINAW is decommissioned.

The MACKINAW is a unique vessel with icebreaking capabilities that cannot be matched by other Coast Guard or commercial icebreakers. The MACKINAW is the only icebreaker on the Lakes powerful enough to reliably clear channels clogged with 10-, 12-foot brash ice or 12-foot-high windrows. Experience has shown that the Bay-class tugs are ineffective when brash ice is deeper than 3-4 feet.

The MACKINAW is also the only Lakes icebreaker that has been powerful enough to clear the ice jams that have twice last decade clogged the St. Clair River and threatened severe flooding in addition to delays to commercial navigation. The MACKINAW is the only Coast Guard cutter with the "seakeeping" capabilities to perform Search and Rescue missions when gale force winds bring 20-25- foot waves. The Bay-class tugs would seldom if ever be able to accomplish a Search and Rescue mission under these conditions.

The devastating recession of the early and mid-80s necessarily reduced the need for icebreaking assistance from the MACKINAW during those trying times. However, as Great Lakes industries have emerged from the recession, the need to sail before April and into January has become critical to their continued viability. In this now global economy, Great Lakes shipping and its customers must avail themselves of every efficiency. That means early and late-season sailing to keep stockpiling costs to a minimum. In periods of peak demand, early-and late-season sailing is also necessary to deliver current production from the iron ore mines.

There are no viable alternatives to early- and late-season sailing. With virtually no excess capacity in the fleet, additional iron ore cannot be transported in the summer months. The cost of building additional ships is prohibitive in these post-recession times. Even if the railroads had the rolling stock to carry the steel industry's ore requirements, the increased costs would negate many of the very efficiencies that have produced the industry's rebound.

American labor stands to lose thousands of jobs in mining, shipping, and production if steelmakers experience ore shortages or lessened competitiveness as the result of using more costly transportation modes and suppliers.

All these negatives come at a time when restructuring of the American steel industry has made it fully competitive in its home market on both a cost and quality basis. Also, the United States government has recently imposed tariffs on "dumped" foreign steel. These tariffs should produce a more level playing field and increase production at domestic steel mills.

Millions of tons of iron ore and other cargos need to move before April 1 and after December 15. At stake is the efficient operation of 70 percent of the nation's steel making capacity. To strip the Lakes of its only proven icebreaker is tantamount to surrendering the nation's industrial might to overseas producers. The Coast Guard must keep the MACKINAW in service to assure industry that vital cargo can move at the beginning and end of the Lakes navigation season.

**CONTINUED OPERATION OF USCG CUTTER MACKINAW**

The Coast Guard proposes to use two Bay-class tugs operating in tandem to open channels for 105-foot beam ore carriers (of which there are 14 on the Lakes; 11 other vessels have beams ranging from 75 to 92 feet). This plan is feasible only in moderate ice; the two tugs cannot match the proven ability of the MACKINAW in 10-, 12-foot-thick brash ice or in breaking through the 12-foot-high windrows of ice that build up in the Straits of Mackinac, Whitefish Bay, and other locations that must be transited.

The ice figures cited in the preceding paragraph are not exaggeration. Heavy brash ice, almost as deep as the channel, is not uncommon in the rivers. The MACKINAW is the only icebreaker on the Lakes with a total displacement sufficient to clear channels clogged almost to the bottom. Experience has shown that the 140-foot tugs are ineffective when brash ice is deeper than 3, 4 feet.

Near channel-filling brash ice occurs in turns and straightaways alike. Some turns (Johnson Point, Winter Point, Stribbling,...) are 46, 65 degrees. The Bay-class tugs have shown themselves ineffective in assisting a 1,000-footer around such sharp turns. Some straightaways are just feet wider than the 105-foot beam vessels. The tugs limited displacement is not sufficient to clear the narrow channels.

The MACKINAW is powerful enough to break a 12-foot-high windrow in one pass. The tugs would have to back and fill a number of times. By then, the freighter following will have lost its momentum.

In the event of a steering or engine casualty to a cargo vessel, the MACKINAW is powerful enough to render assistance to the large ore carriers, including towing, in winter-like conditions. The low horsepower tugs could render little assistance to a disabled 1,000-foot vessel.

The Bay-class tugs are needed for navigation and flood control in the geographic areas where they are stationed (Sault Ste. Marie, Detroit, Sturgeon Bay, St. Ignace and Cleveland). Weather conditions in the Lakes region are such that storms and Arctic-like cold fronts quickly envelop the entire region. If the Coast Guard orders one Bay-class tug to operate in tandem with another, it removes a tug from an area where it soon could be needed.

The Bay-class tugs are very useful for moderate icebreaking. They are an added asset because of their year-round multi-mission capability. However, they cannot be considered capable of replacing the MACKINAW. Three of the Bay-class tugs experienced serious breakdowns during March and April of this year. One has been idled since March 25; two others lost a combined 8 days because of mechanical failures.

**ICEBREAKING TO ASSIST COMMERCIAL NAVIGATION**

It has been argued that the MACKINAW has not logged significant operational time assisting commercial navigation in the 80s and early 90s. This is certainly true when compared with the 70s. However, during that decade, carriers and government were co-partners in a demonstration program to determine the feasibility of year-round navigation on the Upper Lakes, i.e., through the locks at Sault Ste. Marie, Michigan. In contrast, the 80s and 90s saw the industrial mid-west racked by two serious recessions.

**CONTINUED OPERATION OF USCG CUTTER MACKINAW**

It must also be recognized that winters are not uniformly severe when measured by ice formation. During some years of the extended season program, vessels were able to operate with minimal assistance from the MACKINAW, but in many winters, navigation was possible only because the MACKINAW was in service. In some winters, navigation had to be assisted by the polar-class WESTWIND in addition to the MACKINAW.

Starting in 1993, a revival has been evident in the steel industry, and, therefore, Great Lakes shipping. Strong demand for iron ore put the first ore carrier back in service on March 16. By April 1, 36 ships were in service, the strongest start in 3 years.

What was the impact of those early sailings? The 982,000 tons of iron ore that moved in March represented enough product to make the steel used in 940,000 automobiles.

**FLOOD CONTROL**

The best examples of the MACKINAW's role in flood control efforts are the ice jams that twice last decade filled the St. Clair River. Northeast winds clogged the River with slush ice 8-feet thick.

In both instances, the MACKINAW was required to lead ice management efforts. The Bay-class tugs proved ineffective for the most part. In fact, the MACKINAW found conditions trying at times. Even with the assistance of the Canadian icebreaker DE GROSSIERE in 1984, the MACKINAW was on scene for 21 days straight.

There was, of course, an impact on commercial navigation. During the 1984 ice jam, more than 90 U.S. and Canadian lakers were idled for periods ranging from hours to several days.

**SEARCH AND RESCUE**

The MACKINAW is the only Coast Guard vessel on the Lakes with true heavy weather "seakeeping" capabilities. Even when gale force winds generate 20-, 25-foot waves, the MACKINAW can cross Lake Superior or sail from Cheboygan to wherever needed. 20-foot seas would have the tugs' spar awash. The tugs would never even attempt to leave port in such weather conditions. In a severe storm, the MACKINAW is the only Coast Guard vessel capable of S&R missions to assist a vessel with a steering or engine casualty.

**IMPACT ON IRON ORE INDUSTRY**

The North American iron ore industry went through a severe recession in the early- and mid-80s. The number of operating mines fell from 22 to 14. Even those mines that survived had to close for lengthy periods because of weak demand.

**CONTINUED OPERATION OF USCG CUTTER MACKINAW**

In addition to weak demand, the industry faced the threat of overseas suppliers, particularly Brazil, capturing a significant share of the U.S. market. In response, the industry seized every opportunity to increase productivity. Through aggressive cost-cutting, one major producer was able to reduce the operating cost per ton by 33 percent.

Changes in the steel industry, higher scrap prices, and quality advantages afforded by pellets have resulted in the pellet burden increasing to almost 81 percent of the total iron ore consumed in the United States in 1991 (the most recent year for which statistics are available). Of those 70.1 million tons, nearly 50 million tons (70 percent) were carried in U.S.-flag Great Lakes vessels.

The North American iron ore industry is concerned about any event or circumstance that would lead domestic steelmakers to seek overseas sources for pellets. If denied domestic ore, the industry would look to Brazil, Venezuela, and other suppliers.

Since quality pellets cannot be obtained in quantity on the spot market, long-term purchase agreements would evolve. In one instance, this has already happened. In the 1970s, a steel maker was faced with the possible closure of a Minnesota mine because of alleged environmental dangers in the production process. The uncertainty of future ore supplies lead the company to enter into a contractual agreement with a Brazilian mine. Deliveries under that arrangement continue to this day.

A similar scenario can be seen if the MACKINAW is unavailable to keep iron ore moving in December, January, March, and even early April. The lessened demand for domestic ore would have a devastating effect on mining communities in Minnesota and Michigan.

A reliance on foreign pellets would be counterproductive to the recently imposed tariffs on foreign steel. It would be a mockery for the United States to control the amount of foreign steel entering the country, but then encourage imports of iron ore by shortening the Lakes navigation season.

The long-term impact on the domestic steel industry would be negative. Most overseas ore mines produce ore concentrates and fines. Pellets are at a premium. Also, ocean freight rates have increased more than 80 percent since mid-1986. These increased costs for raw materials would reduce domestic producers' ability to compete.

**ALTERNATIVES TO EARLY- AND LATE-SEASON DELIVERIES**

Casual observers have suggested that early- and late-season deliveries can be avoided by carrying more cargo in the summer months. Even if feasible (which it is not), this notion ignores economic realities. Were a person able to accurately predict December ore needs in June, the cost of stockpiling would put a drain on limited capital.

During periods of peak demand, all efficient tonnage is in service. U.S.-flag carriers no longer have a "stand-by" fleet to speak of. There is only one vessel in the stand-by fleet that has enough carrying capacity to be a viable candidate for conversion to a self-unloader and a return to service.

**CONTINUED OPERATION OF USCG CUTTER MACKINAW**

Building additional capacity is not an alternative. Modern ore carriers take 18-24 months to build. And the cost is significant. The 1,000-footers that were christened in 1981 cost \$60-70 million each. It is estimated that a 1,000-footer today would cost as much as \$125 million. A financial investment of this magnitude could be undertaken only in conjunction with a long-term haulage contract and higher freight rates which would negatively impact the steel industry.

**RAILING IRON ORE TO STEEL MILLS**

Steel and the Great Lakes region are almost synonymous; more than 70 percent of the nation's steel making capacity is found in the eight Great Lakes states. Most of these mills are located at waterside. All of the newest mills in the United States are at waterside to take advantage of low cost vessel delivery. Stockpiles are located between the water and blast furnaces.

Waterside steel mills were not designed to receive iron ore via rail cars. To do so would require significant additional trackage being laid, realignment of physical facilities, and installation of raw material transfer equipment. The redesigning of mature facilities would be a logistical nightmare. These additional costs would not be the only disadvantage. Congestion would result as enormous numbers of rail cars loaded with iron ore competed for the same rails used to ship out finished steel. (The 60,000 tons of iron ore 1,000-footers deliver each trip would require seven trains each pulling 101 eighty-five ton cars.)

These are not the only drawbacks to railing ore. American railroads do not have the rolling stock to transport iron ore in the quantities that move on the Lakes (67.1 million tons in 1992). To build a fleet capable of moving this tonnage would require a financial investment justifiable only with a long-term, year-round haulage contract.

Most importantly, steel would again see its raw materials costs increase if forced to rely on rail or other sources. One steel maker estimates that the delivered cost per ton could increase severalfold.

**IMPACT ON LABOR**

Since iron ore is the primary cargo moving in early- and late-season sailings, the 8,600 miners in Minnesota and Michigan stand to lose the most if product can't move. If steelmakers believe that the loss of early- and late-season sailings will create a shortfall in ore requirements, they will seek the ore elsewhere and reduce production schedules at U.S. mines. Temporary closures, and the resulting loss of wages, would follow.

For example, if the navigation season were reduced by 10 percent, we could assume that pellet production would fall at the same rate. This would cause force reductions in pellet plants and a potential loss of 500 to 600 jobs. Total direct wages lost would be in the \$12-15 million range. This direct wage loss does not include the indirect job loss in the service sector estimated to be three or more jobs per employed miner.

The steel industry is increasing turning to "fluxed" pellets, i.e., pellets that contain limestone. It is probable that the many stone quarries in the Lakes region would have to shorten their production periods, again with a resulting loss of wages.

**CONTINUED OPERATION OF USCG CUTTER MACKINAW**

The steel mills that depend on this ore and limestone employ approximately 125,000 people. Some of these jobs become at risk, either from raw materials shortages or reduced competitiveness from higher transportation costs. The domino effect would soon spread to autoworkers, the building trades,....

Another obvious loss of wages would include Great Lakes sailors. On average, vessels carry a crew of 28. In 1993, 36 vessels representing 1,008 jobs were in operation by April 1.

**SUMMATION**

Despite massive restructuring in the 1980s, the iron and steel industry remains a key player in the nation's economic well-being and defense capabilities. Steel mills in the Great Lakes basin account for approximately 125,000 jobs. The iron ore mines of Minnesota and Michigan employee 8,600 men and women. To compete in this global economy, these industries rely on the efficiency of Great Lakes shipping to deliver their raw materials. Any shortening of the Lakes shipping season will increase the requirements for stockpiling raw materials, an unnecessary and unbearable cost.

The U.S. Army Corps of Engineers has recently proposed a fixed navigation season of March 21 - January 15 through the locks at Sault Ste. Marie, Michigan, to permit maximum utilization of the system. This 10-month navigation season will be jeopardized if the MACKINAW is decommissioned. The MACKINAW is the only icebreaker stationed on the Great Lakes that can accomplish its mission no matter what the ice conditions. The other Coast Guard forces on the Lakes do not have the horsepower, beam or operational stamina to take the MACKINAW's place. Industries dependent on Great Lakes shipping can be assured of a free flow of cargo before April 1 and after December 15 only if the MACKINAW is in service. THE MACKINAW MUST NOT BE DECOMMISSIONED.

04/19/93  
Attachment 1

*Lake Carriers' Association***Continued Operation of USCG Cutter MACKINAW on the Great Lakes**

**IRON ORE SHIPMENTS ON THE GREAT LAKES  
FROM U.S. PORTS  
BEFORE APRIL AND AFTER DECEMBER 15  
1980-19930**

<b>YEAR</b>	<b>PRE-APRIL 1</b>	<b>POST DECEMBER 15</b>	<b>TOTAL</b>
1980	308,771	3,101,852	3,410,623
1981	121,822	519,362	641,184
1982 (A)	0	419,731	419,731
1983	12,191	1,843,358	1,855,549
1984	515,175	595,080	1,110,255
1985	92,279	1,260,646	1,352,925
1986	200,394	1,585,289	1,785,683
1987	689,083	4,280,104	4,969,187
1988	376,464	4,984,965	5,361,429
1989 (B)	1,077,567	2,557,736	3,635,303
1990	1,220,345	4,309,204	5,529,549
1991	824,215	3,785,328	4,609,543
1992	1,331,243	2,968,115	4,299,358
1993	982,240	--	--
<b>TOTALS</b>	<b>7,751,789</b>	<b>32,210,770</b>	<b>39,962,559</b>

- (A) Worst year for Great Lakes shipping since Great Depression.
- (B) Corps forced to close Soo Locks on December 28 by environmental criteria since determined invalid.

04/19/93

**STATEMENT OF  
EUGENE R. FIDELL  
ON**

**PROCESSING OF APPLICATIONS FOR THE CORRECTION  
OF MILITARY RECORDS OF THE COAST GUARD**

**BEFORE THE  
SUBCOMMITTEE ON COAST GUARD  
AND NAVIGATION  
OF THE**

**COMMITTEE ON MERCHANT MARINE AND FISHERIES  
U.S. HOUSE OF REPRESENTATIVES**

**103RD CONGRESS, 1ST SESSION**

**APRIL 22, 1993**

Mr. Chairman and Members of the Subcommittee:

My name is Eugene R. Fidell. I am a partner in the Washington law firm of Feldesman, Tucker, Leifer, Fidell & Bank. My practice includes the representation of military personnel, including members of the United States Coast Guard. I regularly represent clients in connection with applications for the correction of military records.

As the Subcommittee considers the Coast Guard's budget for FY94, it may be worthwhile to furnish an update on the delays in case processing that led Congress to pass § 212 of the Coast Guard Authorization Act for 1989. That measure, as you know, required the Department of Transportation to complete action on BCMR applications within 10 months of submission.

I am sorry to report that in the years since that measure was passed, DOT has continued to have difficulty meeting the 10-month deadline. One of my cases, for example, remains pending even though it was filed over five years ago!

In addition to failing to meet the deadline with some regularity, DOT has argued that § 212 is merely advisory, rather than having any teeth. My own view of this is that the history and basis for § 212 must mean that once the 10-month deadline expires, if there has been a favorable decision by the BCMR, DOT no longer has any power to reverse that decision. I am very pleased to submit with this statement a recent decision by Judge Harold H. Greene, of the United States District Court for the District of Columbia, which so holds. The period in which the government may appeal has not yet expired, and I cannot rule out the possibility that DOT would try to persuade the Court of

Appeals for this Circuit that Judge Greene was mistaken and that § 212 can be disregarded with impunity.

In other litigation, a judge of the United States Court of Federal Claims ruled earlier this year that § 212 did not extend to cases that were filed before it took effect. Obviously, such a ruling means that the very cases that led to passage of the measure would be denied its benefit—indeed, the oldest cases on the BCMR's docket, such as the five-year-old one mentioned above—would continue to linger in the limbo of DOT's endless review process. We have appealed this incorrect decision to the Court of Appeals for the Federal Circuit.

I invite these cases to the attention of the Subcommittee so that you may be aware of how DOT and at least one court have misapplied § 212.

I would be happy to provide additional information if it would be helpful to the Subcommittee.

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

ROBERT L. GAZLAY,  
Plaintiff,  
v.  
JAMES B. BUSEY,  
Defendant.

Civil Action No. 91-2438  
(HHG)

FILED

APR - 6 1993

OPINION NANCY M. MAYER-WHITTINGTON

## I

Robert Gazlay, an officer of the United States Coast Guard, was passed over for promotion to commander in 1989 and 1990. The selection board decided not to promote Gazlay on the basis of several less than outstanding Officer Evaluation Reports ("OER's") filed by Gazlay's supervisor, Captain John R. Sproat. However, upon learning that Gazlay was not promoted, Captain Sprout reevaluated his original OERs, determined that they were incorrect, and wrote Coast Guard Headquarters requesting that the first OERs be expunged from plaintiff's record and be replaced with a second set of OERs. The second group of OERs gave Gazlay a much higher performance rating and expressly recommended promotion. In his letter, Sproat explained that he misunderstood the OER system and the impact that some of his

comments would have upon Gazlay's performance opportunities. He emphasized that a promotion to commander was "clearly deserved."

Gazlay applied for relief to the Coast Guard Personnel Records Review Board. The Board refused to expunge the old OERs. An appeal was taken to the Board of Correction of Military Records ("BCMR") which reversed the Review Board. Specifically, the BCMR ruled that the revised OERs should be placed in Gazlay's military record, that all reference to the first set of OERs and the earlier denials of promotion be deleted and that he be promoted to commander backdated to 1989.

As required, this Final Decision ("Final Decision I") was forwarded to the Office of General Counsel of the Department for review.<sup>1</sup> An Assistant General Counsel reviewed the decision and returned it to the BCMR. On July 26, 1991, more than 10 months after the submission of plaintiff's application, the BCMR issued a second Final Decision ("Final Decision II"). In Final Decision II, the BCMR reversed itself and left the original OERs and

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<sup>1</sup> BCMR decisions which are adverse to an applicant are final without further action of the Secretary. 33 C.F.R. § 52.35-15(b) (1990); 33 C.F.R. § 52.64(a)(1) (1991). BCMR decisions recommending relief are forwarded to the Deputy General Counsel for approval, disapproval, or return to the BCMR for additional consideration. 33 C.F.R. § 52.35-15(b) (1990); 33 C.F.R. § 52.64(b) (1991). In the instant action Final Action I was forwarded not to the Deputy General Counsel but to an Assistant General Counsel. This Opinion does not decide whether authority to review the decision was properly delegated to the Assistant General Counsel.

reference to the two earlier passovers in Gazlay's file. The promotion was left intact but was not backdated. The reversal was based not upon any regulation but upon an aversion to setting a precedent permitting changes to personnel records.<sup>2</sup>

Commander Gazlay seeks to have Final Decision II overturned and Final Decision I reinstated. The Court agrees that Final Decision I fixed the rights of Commander Gazlay and could not be varied by a second final decision issued over ten months later.

## II

In an effort to ensure that applications for corrections of military records are handled expeditiously, Congress passed legislation requiring BCMR decisions to be completed within 10 months of submission of an application. Coast Guard Authorization Act of 1989, § 212, Pub. L. 101-225, 103 Stat. 1914. The BCMR's inability to act upon applications within a reasonable time and quickly enough to afford plaintiffs relief was brought to Congress' attention

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<sup>2</sup> No regulation barred the action requested by plaintiff. Instead, the Final Decision II was premised only on an aversion to permitting changes to personnel records for fear of a deluge of such requests. To deny relief to a deserving plaintiff merely out of fear that other plaintiffs, with both meritorious and unmeritorious claims, will petition the BCMR is an arbitrary decision. The Court is puzzled regarding the function of the BCMR if not to give meaningful review of applications and relief when warranted. There is little purpose in having a review board prohibited from giving relief in such circumstances.

by the Moore settlement. See Moore v. Board of Correction for Military Records, Stipulation of Settlement and Dismissal, Civ. No. 87-2689 (D.D.C. filed April 29, 1988).

In Moore, a group of plaintiffs sued claiming that the BCMR's failure to decide applications expeditiously violated the Administrative Procedures Act. In settling the case, the Coast Guard agreed to take measures to ensure was expeditious resolution of applications. Congress noticed the case and in response passed section 212 with its ten month time limit. See Letter from Walter B. Jones, Chairman, and Robert W. Davis, Ranking Minority Member, Committee on Merchant Marine and Fisheries, to the Coast Guard, (May 30, 1990) ("We first became aware of the problems with the BCMR when a group of past and present Coast Guard personnel sued the BCMR over delays in processing applications for relief."). Furthermore, when it became apparent that the regulations being promulgated by the Coast Guard to implement the ten month rule would result in review of application taking longer than ten months, Congress insisted that the regulations be revised to ensure action on applications within the statutory time period. Id. Congress was clear. It enacted section 212 to end the delay, and it expected the time limits to be respected. See H.R. Rep. No. 227, 101st Cong., 1st Sess. 32-33.

The Coast Guard concedes that Congress established a ten month deadline to reduce delay but argues that this

statutory deadline is not mandatory. According to the defendants, "a statutory time period is not mandatory unless it both expressly requires an agency or public official to act within a particular time period and specifies a consequence for failure to comply with the provision." St. Regis Mohawk Tribe v. Brock, 769 F.2d 37, 41 (2d Cir. 1985). Here, Congress failed to indicate the consequence of failing to act within the ten month period. Accordingly, defendants assert, the delay associated with responding to Commander Gazlay's application is irrelevant.

Defendants give only a partial reading of the case law. Most importantly, the Supreme Court in Brock v. Pierce County, 476 U.S. 253, 262 (1986) noted that while the general rule is that a statutory deadline "standing alone, is not enough to remove" the agency's power to act after the deadline, that result is not required in all such instances. The Court explained that

[w]e need not, and do not, hold that a statutory deadline for agency action can never bar later action unless the consequence is stated explicitly in the statute.

Id. at 262.n.9. The Court indicated that the question ultimately is one of congressional intent. Indeed, the St. Regis court goes on to point out that a deadline is not mandatory "in the absence of persuasive extrinsic evidence" that Congress intended it to be binding. In the view of this Court, such "persuasive extrinsic evidence" is found in this case.

In Pierce County, the legislative history demonstrated that Congress did not intend the deadline in that case to take from the Secretary power to act after passage of the deadline. Id. at 263. Similarly in St. Regis Mohawk Tribe, the Court was able to point to an exchange on the House floor demonstrating that the deadline was not intended to preclude the agency from acting after the time had passed.

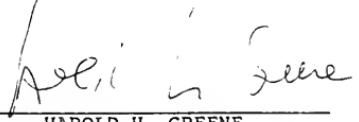
In contrast to the deadlines in both Pierce County and St. Regis Mohawk Tribe, here Congress clearly intended to set a mandatory deadline for agency action. The deadline was not merely a minor piece of a larger integrated Act. Section 212 of the Authorization Act was a narrowly targeted piece of legislation passed for the sole purpose of ending Coast Guard BCMR delays. See H.R. Rep. No. 227, 101st Cong., 1st Sess. 32-33. Nor was this generic legislation. No such deadline is imposed on the review boards of other agencies such as the Army or Navy. As the House Report makes apparently clear, in enacting section 212 Congress wished to end the long delays accompanying action by the Coast Guard BCMR. In light of the legislative history, it cannot be disputed that Congress intended the ten month limit to be a mandatory deadline.

The instant case is distinguishable from St. Regis Mohawk Tribe and Pierce County in another important respect. Here the Coast Guard BCMR actually issued a Final Decision within the statutorily-required period. Certainly when the

BCMR resolves the application within the Congressionally-mandated window, the decision should be found to be a final decision. Beyond the ten-month period, the agency was without authority to take further action.<sup>3</sup> The BCMR cannot at its leisure, and contrary to congressional intent, revisit that decision. The Court holds that the first Final Decision is the decision of the agency in this case.

For the reasons stated, the Court grants plaintiff's motion for summary judgment and orders that the first Final Decision be reinstated and that prompt compliance be had with its provisions.

April 5, 1993

  
\_\_\_\_\_  
HAROLD H. GREENE  
United States District Judge

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<sup>3</sup> The Assistant General Counsel's review was also defective because Gazlay was not afforded any opportunity to examine and make a submission in light of the lower body's determination. See Koniag, Inc., Village of Uyak v. Andrus, 580 F.2d 601, 609 (D.C. Cir. 1979). In fact, Gazlay was not even notified of the first Final Decision.

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

ROBERT L. GAZLAY,

Plaintiff,

v.

JAMES B. BUSEY,

Defendant.

Civil Action No. 91-2438  
(HHG)

FILED

APR - 6 1993

NANCY M. MAYER-WHITTINGTON  
ORDER

Upon consideration of plaintiff's motion for summary judgment and defendant's motion to dismiss or, in the alternative, cross-motion for summary judgment, the oppositions and replies thereto, and the entire record herein; it is this 57 day of April, 1993, in accordance with the Memorandum issued contemporaneously herewith

ORDERED that plaintiff's motion for summary judgment be and it is hereby granted; and it is further

ORDERED that defendants' motion to dismiss be and it is hereby denied; and it is further

ORDERED that judgment be and it is hereby entered for plaintiff.

  
\_\_\_\_\_  
HAROLD H. GREENE  
United States District Judge



## AMERICAN MARITIME OFFICERS SERVICE

490 LENFANT PLAZA EAST, S.W. • SUITE 3204 • WASHINGTON, D.C. 20024 • (202) 479-1133

MICHAEL DIPRISCO  
Executive Director

GORDON W. SPENCER  
Legislative Director

KAREN A. HOOVER  
Assistant Legislative Director

April 19, 1993

The Honorable H. Martin Lancaster  
U.S. House of Representatives  
2436 Rayburn HOB  
Washington, DC 20515

Dear Congressman Lancaster:

American Maritime Officers Service represents U.S.-flag steamship companies, many of which operate on the Great Lakes. It has come to our attention that the U.S. Coast Guard Budget Request for FY 1994 proposed by the Administration calls for the decommissioning and scrapping of the Coast Guard icebreaker "Mackinaw".

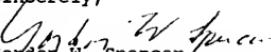
We would like to register our opposition to the decommissioning and scrapping of the "Mackinaw" for several reasons:

1. The proposed fixed navigation season of March 21 to January 15 will be jeopardized if the icebreaker "Mackinaw" is not available to clear the heavy ice formations which are common on the Great Lakes during the "ice season".
2. Approximately 12 million tons of iron ore, coal, stone, cement, and liquid bulk products are expected to move during the "ice season"; any delay in the shipping navigation season will reduce employment at all those products' plants, and will reduce employment for the Great Lakes mariners.
3. Shipyard workers will lose a major contract - the annual maintenance of the U.S.C.G. cutter "Mackinaw".

We hear so much today about "creating" jobs and "retraining" people so that they can find jobs. It is nonsensical to support a plan that will "remove" jobs from already "technically trained" workers in the iron ore, coal, stone, cement, steelmaking, shipyard, and utility industries.

We ask that Congress authorize and appropriate funds for the continued operation of the icebreaker "Mackinaw" in FY 1994 and in future years. Thank you for considering our position on this issue.

Sincerely,

  
Gordon W. Spencer  
Legislative Director



**AMERICAN MARITIME OFFICERS**  
*Affiliated with Maritime Trades Department, AFL-CIO*  
 490 L'ENFANT PLAZA EAST, SW • SUITE 3204 • WASHINGTON, DC • 20024  
 PHONE (202) 479-1166 FAX (202) 479-1188

President

April 19, 1993

CHARLES J. CRANSTON  
*Director*  
*Congressional & Legislative Affairs*

The Honorable H. Martin Lancaster  
 U.S. House of Representatives  
 2436 Rayburn HOB  
 Washington, DC 20515

Dear Congressman Lancaster:

On Thursday, April 22, 1993, the Subcommittee on Coast Guard and Navigation will review the budget request of the United States Coast Guard for Fiscal Year 1994.

That request contains language which would result in the permanent laying-up and scrapping of the Coast Guard cutter "Mackinaw".

We ask that you take notice of the opposition of the American Maritime Officers, AFL-CIO to the decommissioning and scrapping of the "Mackinaw" for the following reasons:

**1. TAKING THE "MACKINAW" OUT OF SERVICE WILL HAVE A SIGNIFICANT NEGATIVE IMPACT ON THE U.S. INDUSTRIAL BASE.**

The iron ore, coal, and stone trade on the Great Lakes would be adversely affected by the shortened sailing season caused by the failure of a Coast Guard icebreaker to clear the ice-choked channels connecting the Great Lakes in the Spring and Winter.

With no large Coast Guard icebreaker it is expected that the sailing season on the Great Lakes would be shortened by at least 30 days.

The coal burning power stations on the Great Lakes dependent upon the low sulphur coal from the Great Plains will have problems storing the coal necessary to generate electricity because of the reduction of 30 days in the shipping season.

**2. TAKING THE "MACKINAW" OUT OF SERVICE WILL HARM THE GREAT LAKES GRAIN TRADE.**

The food produce of the American and Canadian Great Plains will find it increasingly difficult to find its way to market with a shortened shipping season on the Great Lakes caused by the laying-up and scrapping of the "Mackinaw".



3. NO NEW AUTHORIZATION OR APPROPRIATION HAS BEEN MADE FOR A NEW ICEBREAKER ON THE GREAT LAKES.

4. THE U.S. COAST GUARD HAS NOT PRODUCED A COST BENEFIT ANALYSIS AS TO THE IMPACT ON THE LAYING-UP AND SCRAPPING OF THE "MACKINAW" ON THE INDUSTRIAL BASE OF THE GREAT LAKES REGION AND THE EXPECTED DECLINE OF RECEIPTS TO THE UNITED STATES TREASURY.

American Maritime Officers, AFL-CIO represents licensed officers on most of the vessels in the Great Lakes fleet. Our members have devoted their talents to the acquisition of skills which have made the Great Lakes the most cost efficient raw material water transportation system in the world. Taking the "Mackinaw" out of service will reduce the efforts of our members to improve the efficiency of the American steel industry and the American electric generation system.

PLEASE SEE TO IT THAT THE "MACKINAW" IS KEPT IN SERVICE AND THAT PLANS BEGIN THIS YEAR FOR THE CONSTRUCTION OF A NEW ICE BREAKER TO BE BUILT IN A SHIPYARD IN THE UNITED STATES WITH AMERICAN STEEL.

Sincerely,



Charles T. Crangle  
Executive Director  
Congressional and Legislative Affairs



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